

The NATIONAL UNDERWRITER

KANSAS AGENTS CONVENTION



OHIO

1803

Ohio, whose name derives from the Iroquois term meaning "great river," prides herself on her Indian heritage... there remain burial grounds and earthworks built by the Red Men in the 11th and 12th centuries. The first permanent settlement was made at Marietta by New England veterans of the Revolution after George R. Clark's victory at Piqua which drove the Indians to the far west. The fertility of the soil where corn, oats, winter wheat and fruits thrive is traced to the glaciers of the "Ice Age." Live-stock raising is very important. Coal is mined extensively and Toledo is the world's largest coal port. Since the Great Lakes furnish cheap transportation for iron and other mineral ores from the Minnesota, Wisconsin and Michigan mines, steel processing and fabricating are important industries. Coke, a natural by-product, is manufactured and used extensively. More than one-half the crude rubber imported into the country is cured and fabricated in Akron. The Hocking Parks, Blue Hole at Castalia, Old Man's Cave and Vesuvius Furnace are "musts" for the sightseer. The Buckeye State ranks fourth in population, second in industry, fifth in agriculture, sixth in minerals and eighth in value of exports... quite a state for insurance solicitation.

CRUM & FORSTER

MANAGER

110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO.

THE NORTH RIVER INSURANCE CO.

WESTCHESTER FIRE INSURANCE CO.

THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh

Organized 1824

Organized 1822

Organized 1837

Organized 1868

RICHMOND INSURANCE CO. of New York

THE WESTERN ASSURANCE CO., U. S. Branch

THE BRITISH AMERICA ASSURANCE CO., U. S. Branch

SOUTHERN FIRE INSURANCE CO., Durham, N. C.

Organized 1836

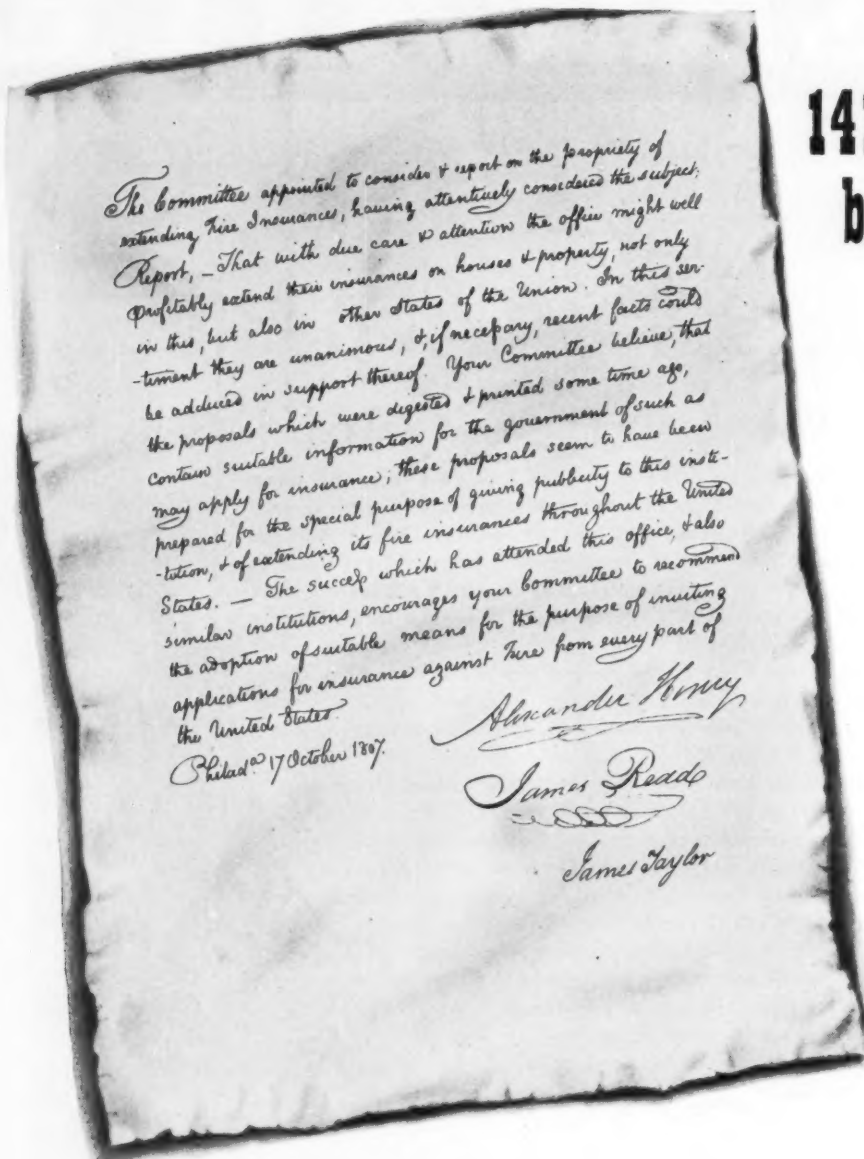
Incorporated 1851

Incorporated 1833

Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO, SOUTHERN DEPT. ATLANTA, ALLEGHENY DEPT. PITTSBURGH, CAROLINAS DEPT. DURHAM, N. C.

THURSDAY, OCTOBER 28, 1948



**141 Years Ago...
back in 1807**

**NORTH
AMERICA
APPOINTED
FIRST FIRE
INSURANCE
AGENT**

● On October 17, 1807, directors of The Insurance Company of North America recommended "adoption of suitable means for the purpose of inviting applications for insurance against fire from every part of the United States."

This is believed to have marked the beginning of

what is now known as the American Agency System ... a vital cog in the mechanism of American free enterprise.

Today ... nearly 20,000 Agents represent the North America Companies, whose growth has been made possible largely by their continuous loyalty and cooperation.



**INSURANCE COMPANY OF
NORTH AMERICA**
COMPANIES, Philadelphia

★ INSURANCE COMPANY OF NORTH AMERICA ★ INDEMNITY INSURANCE COMPANY OF NORTH AMERICA ★
★ PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY ★ THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA ★

Committee Adopts Expense Classes of Regulation 30

**Ask Blanks Committee to
Approve N. Y. Program
at December Meeting**

NEW YORK—The uniform classification of expenses contained in the New York department's regulation 30, problem child of the industry's accountants, statisticians and actuaries for the past six months, was adopted by the subcommittee on uniform accounting of the blanks committee of National Assn. of Insurance Commissioners as instructions for the expense portions of the revised forms at the end of its three-day meeting here. The group also drafted and adopted revised pages for the annual statement and a combined "Insurance Expense Exhibit" for all fire and casualty lines.

The subcommittee then requested that a special meeting of the blanks and uniform accounting committees be called during the December meeting of N.A.I.C. here to take final action on the subcommittee's recommendations.

A proposal by George D. Moore, actuary National Assn. of Insurance Agents, which called for figures showing pure commission expenditures of the companies, was shelved until the April meeting of the blanks committee as the uniform accounting committee felt that it was beyond the scope of its assignment.

Personnel Attending the Meeting

Insurance department personnel attending the meeting were: Earl Berger, Pennsylvania, chairman; W. Harold Bittel, New Jersey; Walter A. Robinson, Ohio, ex-officio, chairman of blanks committee; Joseph F. Collins, New York, ex-officio, chairman of multiple line blanks subcommittee (blanks committee); Deputy Superintendent Thomas C. Morrill, James J. Higgins, senior examiner, and Edward J. Reilly, audit bureau chief, New York.

Company representatives included: W. B. Wilcox, Farm Bureau Companies; A. L. Bauman, State Farm Mutual; E. C. Fray, Liberty Mutual; E. L. Brandt, Auto Owners; H. F. Walton, and E. S. Skillings, National Assn. of Independent Insurers, Chicago; George D. Moore, National Assn. of Insurance Agents; R. M. Marshall, National Council on Compensation Insurance; C. G. VanderFeen, National Surety, Assn. of Casualty & Surety Companies; T. F. Tarbell, Travelers, Assn. of Casualty & Surety Accountants & Statisticians; T. O. Carlson, National Bureau of Casualty Underwriters; E. F. Hetschert, Loyalty Group; and W. H. Tallau, Commercial Casualty.

The purpose of the session was to analyze suggested new forms and changes in the blanks to take care of the New York uniform accounting regulation and to accommodate it in the present blanks and in the proposed multiple line reporting blanks.

What Form Do You Like?

Mr. Higgins submitted several forms for the New York department and one or more alternates for each form. Form 1 calls for a limited functional distribution and has columns for investment expense, loss adjustment expense and underwriting expenses. Forms 2 and 3

Fred Williams, Soon Retiring, Is Feted in Colo.

Frederic Williams, who is retiring Jan. 1 as secretary in charge of Rocky Mountain Fire Underwriters Assn.

at Denver, was feted at a testimonial dinner at Colorado Springs, the hosts being members of the supervisory committee of the association holding their annual meeting there. E. A. Henne, vice-president of America Fore, and chairman of the supervisory committee, presented Mr. Williams with a radio and record player.

Mr. Williams joined the association in 1920 after having served in the local agency field at Colorado Springs, and as special agent for New Zealand in the mountain field for 16 years.

In addition to members of the committee, those present at the dinner included E. H. Born, manager of Western Underwriters Assn., Chicago; Russell D. Hobbs, manager of Western Actuarial Bureau and H. M. Mack of Mountain States Inspection Bureau.

The members of the supervisory committee present were Mr. Henne, S. M. Buck, Great American; Richard Orlob, Atlas; A. F. Powrie, Fire Association; J. C. Qualmann, Royal-Liverpool; S. T. Shotwell, North British & Mercantile; C. H. Smith, Hartford Fire; George E. Stroub, Home.

Meeting also at Colorado Springs at the same time were the directors of Colorado Assn. of Insurance Agents and on one evening that group was host to the company representatives at a dinner. The Colorado directors present were Ralph E. Austin, state national director, LaJunta; Charles D. Hopkins, Colorado Springs, president; Sam Jones, Pueblo, vice-president; Fred W. Noe Greeley, treasurer; L. Allen Beck, T. H. Jenkins, J. M. Kellett, W. B. Sanborn and Ted Wendelin of Denver; Cecil A. Lee, Pueblo and Fred R. Kelly, Rocky Ford.

were variations of No. 1 but both Mr. Morrill and Mr. VanderFeen favored adoption of No. 1.

Mr. VanderFeen considered form 1 superior to the others because it was easier to prepare at annual statement time. Further data is required for the supplement to the annual statement but as the companies have more time to prepare their figures for the supplement they do not object.

Representatives of the fire companies were conspicuous by their absence, most of them being in Philadelphia for the conference of Insurance Accountants Assn. which ran on the same days as the hearing.

Different Accounting Systems

One objection concerned the division of the loss adjustment expense liability into allocated and unallocated claim expense in the loss reserve. Mr. VanderFeen pointed out that in view of the fact that many companies include allocated loss expense in the loss reserve it would result in confusion because of the difference in company accounting systems. The discussion on this subject was curtailed, however, when Mr. Morrill pointed out that the industry and committee representatives had already agreed to limit themselves to

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Stock Market Rise Adds to Company Portfolio Values

**Triple Squeeze of 1946
Being Reversed in
Part, in 1948**

NEW YORK—The rise in the stock market that occurred last week increased substantially the values in fire insurance company portfolios. Approximately \$2 billion was added to the market value of all shares listed on the New York Stock Exchange. For those fire insurers with sizable holdings of common stocks, the rise will be a considerable amount.

For example, North America had around \$97,800,000 in common stocks in its portfolio at the end of 1947. If this were the status as of last week, its portfolio would be worth approximately \$20 million more than in September. In the case of Fidelity-Phenix, with around 40% of its assets in common stock, or approximately \$77,500,000 at the end of 1947, the addition would be between \$10 and \$15 million. For St. Paul Fire & Marine, with \$10,800,000 a couple of million would be added. For Hartford Fire, with \$38,400,000, the addition would be around \$5 million.

Expected to Last a While

The stock market hit its low on Sept. 27. The rise in the market has been developing since then, but it really got under way only in the week of Oct. 18. Forward movements in the market usually last two or three months; it would be very unusual if this one continues only two or three weeks, so that possibly insurers will get to Dec. 1, the date of market valuation of securities, with a good deal more in assets than they had a year ago.

Some companies are heavy on oil stocks, and the rise was notable there. Steel and heavy industry shares also went up substantially, though insurers are not long on that type of security. They prefer consumer stocks because this type of security pays a steadier dividend. The heavy industry stocks are apt to fluctuate more.

The word on the street is that this is an election rally, in response to the assurance that a Republican president will go to the White House, and that it has been delayed.

Reverse of 1946

It is interesting to note that instead of a triple squeeze, which operated to put the insurers in a crack toward the end of 1946, what is occurring today is substantially the reverse of this. Two years ago underwriting profits were poor, the stock market was off and securities down in value, and premiums were pouring in to place a heavy strain on surplus to meet the unearned premium requirements.

At present, the companies expect to end the year in the black on the underwriting side; common stock values are up, and even in connection with premiums the strain is not so great. There has been some levelling off in the rate of increase in premium income. It is estimated that whereas two years ago premiums were 30% heavier than the preceding year, today it has levelled off to about 15% in comparison with the preceding year.

It is apparent that capacity is not quite as stiff a problem as it was one year ago and two years ago. This does not mean companies will discontinue being particular—they won't. They are particular both about the class of business and the agency and territory it

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California Agents Gather 1,200 Strong for Annual Parley

**Program Accents Sales-
manship and Efficient
Operations**

By FRANK W. BLAND

SAN FRANCISCO—California Assn. of Insurance Agents opened its annual convention Monday with attendance ex-



W. B. Glassick



John C. Stott

ceeding that of any other meeting, and with total registration expected to reach 1,200. The meeting features presentation of selling ideas interspersed with discussions on office management, record keeping, elimination of detail, service to clients with the major emphasis on salesmanship.

Seek to Reduce Detail

John C. Stott, president of N.A.I.A., was the principal speaker Monday morning on "Midnight or Dawn." He declared there has been a great lack on the part of agents in improving themselves with new ideas, and he urged more attention be given to efficient service. Since the business is an ever-changing picture he urged that more attention be given to what the public wants. He believes that each line of insurance must stand on its own feet and must be self sustaining. The agent should give more attention to operation costs not only in the matter of production but also in office details. He said that some study was being given to the English system with the end in view that much detail be eliminated.

Service and Skill

These problems affect both the companies and the agents and are a decided factor in many of the discussions of the National association. He said that any state problem could well affect the national picture and he urged a very strong and vigorous national association. Agents must justify operating costs and earn their commissions by way of service and skill. He closed with a strong appeal for the continuation of the free enterprise system and pleaded with the members to sell America and good Americanism to their clients.

Stanford University was well represented on the Monday program with a talk by Dr. J. Hugh Jackson, dean of the graduate school of business, on "The Qualifications of Leadership" and David E. Faville, professor of marketing graduate school of business. Dr. Jackson said leadership is influencing others to some common goal and the process of helping others to help themselves. Busi-

(CONTINUED ON PAGE 31)

Develops Machine Writing of Automobile Policies

The use of machines for policy writing is one suggestion that has been made to reduce company costs and speed up insurance processing. There are, of course, a number of practical problems involved. However, Liberty Mutual has put into effect a mechanized system for writing physical damage and casualty policies in connection with Massachusetts compulsory auto accounts with good results. The story is outlined by Vice-president Joseph H. Forest, as follows:

For some years we had the idea of developing a system for handling statistical, accounting, and policywriting details on small policies by means of tabulating equipment. Our original inquiries, however, indicated that the machines available were not satisfactory for the development of such a system on any large scale, and we, therefore, were forced to pigeonhole the idea.

Equipment Available

After the war, there became available multiple-line tabulating equipment, which reduced the number of cards necessary to process an individual account to between five and seven cards, which made the development of such a system seem feasible. As a consequence, in the fall of 1946 we inaugurated an intensive study of the problem with the result that commencing July 1, 1947, we established an experimental setup involving about 8,500 Massachusetts automobile accounts and 15,000 policies; that is, 8,500 statutory liability policies and 6,500 physical damage policies on the same accounts.

Our preliminary studies indicated conclusively to us that the development of such a system merely to write policies was not efficient or economical, and that it would be necessary to include all of the operations or at least a majority of the operations involved in handling these policies in the mechanical system in order to make it practicable. Hence, while the policywriting phase of the system is probably the most spectacular, it is only one of many records and papers produced.

Essential Features of System

The essential features of the system are as follows:

For each policy from five to seven punch cards are required. These cards include all the necessary policywriting, accounting, and statistical information with respect to that particular policy. It is necessary to keep these cards up to date currently with respect to any changes in the information on the account.

Once the cards are prepared, the following functions are performed by their use:

1. A renewal authorization mailing is prepared on which the addressing is done by means of the tabulator cards, thereby eliminating all manual steps except the stuffing of the card in a window envelope.

2. Preparation of a policy register.

3. Rating of policies. Since in Massachusetts a majority of policies fall within a relatively few rating territories and coverage groups, it is feasible by means of a coverage code to sort these policies into homogeneous groups with respect to coverage and do the major part of the rating by means of master rate cards.

4. Preparation of a premium journal for control purposes.

5. Actual writing of the policy declaration.

6. Preparation of a bill for the policy, including a summary of the account to date and any debits or credits due.

7. Preparation of a coverage abstract card.

8. Preparation of individual account ledgers.

9. Collection.

10. Cash—individual and total control.

11. Statistical coding. A punch card for statistical purposes is prepared by direct reproduction of the necessary information from the account cards.

12. Accounting and administrative control data. The necessary information for preparation of accounting and administrative controls is produced by reproduction of the necessary information from the account cards.

Permanent Account Numbers

One essential change which was found necessary was to establish permanent account numbers for each policyholder in order to provide a permanent basis for the identification of all transactions with respect to a given policyholder.

A very brief summary of the operation of the system is as follows:

Prior to expiration, a renewal authorization punch card is prepared, from the detail cards of each account. On this card is punched by reproduction, the account number, and by use of the multiple-line printer, the name and address. On the reverse side are the questions necessary to prepare the renewal policy and a statement indicating the method of payment desired. When these cards are returned by the policyholders, they are used to select the complete set of cards for those accounts to be renewed.

Punch Cards Reproduced

Also, prior to renewal date the punch cards containing the premium charges are reproduced, leaving the premium fields blank. Since these cards also contain statistical coding as to garage location, coverage, and limits, the reproduced cards can be sorted into order by garage location and within each garage location by coverage selection. At this point no attention is paid to limits of coverage. The rating cards arranged as above are then matched with a master rate file, the rates reproduced, and the cards are then separated into limits groups. The cards are then processed by an IBM multiplier, model 602, and the premium added. In this process, excess limits charges are computed by the multiplier and total premium punched into the card.

The accounting run of detail cards is run through the tabulator to produce the policy declarations, summarizing the data to be used in the billing operation. Statistical cards are reproduced from the rating cards, selecting only that data necessary for statistical records.

In the billing operation an "Accounts Receivable" card is summarized, which is used as a ledger record.

Premium totals are checked from the policy run, statistical cards, bills, and accounts receivable cards before the run is entered in the books as "premium receivable."

Premium Adjustments

Detail cards are kept up to date for address changes, cancellations, coverage and limits changes. Any premium adjustment throughout the year is handled by punch card and is reflected in the accounts receivable ledger.

At present we have completed a year's actual operation using this system. While we still consider the procedure experimental and have not as yet expanded its operation to more than the original base unit, we feel optimistic regarding its ultimate satisfactory development.

The cost of the machine equipment necessary for this system places a limit on the minimum number of accounts which could be economically handled, and while we have not yet been able to arrive at accurate cost figures due to the experimental nature of the project to date, it is probable that a minimum of 20,000 accounts would be necessary for efficient operation.

Urgency for Big Fire Lines Is Disappearing

A leveling off of business is noted in fire insurance offices these days. The trend can't by any means be called a slump, because there is still an upward movement in premium volume but the pressure has eased very materially in the demand for large and urgent commitments. There is a pronounced decline in long distance telephone calls from agents requiring a million, or two million or three million additional insurance on a line before the day is out. The assumption is that in one way or another, the process of bringing insurance up to new inflated values has been very largely completed.

Some underwriters say that they are getting cancellation of cover on stocks here and there which they interpret as indicating that merchants are moving out as much of their merchandise as possible at present high prices against the possibility of a price decline and that they are holding back on accumulating new inventories at the current price level.

Western Adjustment Makes Transfers and Promotions

Western Adjustment announces a number of transfers and promotions:

Regional Supervisor R. F. Irvine of Indiana is transferred to Michigan, with headquarters at Grand Rapids, to serve as deputy regional supervisor to H. F. Johnston of Detroit, outside Wayne County.

Regional Supervisor C. A. Smith of Kentucky is transferred to Indianapolis as regional supervisor and manager. Manager F. J. Quinn of Lexington succeeds him at Louisville. Manager R. L. Lusk of Paducah is transferred to Lexington and Resident Adjuster C. V. Henderson of Madisonville becomes Paducah manager. Cleve Townsend, Jr., of Madisonville becomes resident adjuster there.

Mr. Irvine has been with the organization since 1928, serving at Grand Rapids, Peoria, Cedar Rapids, Kansas City, Kans., Cincinnati and Indianapolis; Mr. Smith since 1925, at Carbondale, Cape Girardeau, St. Louis, Lexington and Louisville; Mr. Quinn since 1930, at Chicago, Duluth, Paducah and Lexington; Mr. Lusk since 1932, at Jackson, Eau Claire, Minneapolis, Lexington, Bowling Green and Paducah; Mr. Henderson since 1941 at Kansas City, Joplin and Madisonville, and Mr. Townsend since 1940 at Paducah, Louisville, Middlesboro and Madisonville.

Two Losses in One Bank

Approximately three weeks after D. P. Levine, 28, a teller, admitted taking \$43,000 from the Danbury (Conn.) National Bank, which he said he lost betting on horses, another teller, Mrs. Jessie W. Valine, 43, admitted that she had taken \$3,709 from Christmas Club accounts from the same bank. The bond is in Aetna Casualty. Devine was a part-driver at the Roosevelt Raceway at Westbury, L. I. Mrs. Valine had been a teller 20 years.

Honor 40th Anniversary

Surety Managers Assn. of New York City adopted a resolution signaling the 40th anniversary of Surety Assn. of America, which it will observe Nov. 18. A nominating committee was named to bring in a slate for the November meeting, and a memorial resolution was adopted in memory of J. A. Donohue of National Surety.

H. Palmer Barnes has been named special agent in eastern Georgia for Commercial Union with headquarters in the southern department at Atlanta.

Dineen Challenges Bureaus on New Interstate Filing

Hint N. Y. Superintendent Seeks More Flexibility—Calls Hearing Nov. 4

NEW YORK—Superintendent Dineen of New York has served a show cause order on New York Fire Insurance Rating Organization and Interstate Underwriters Board that calls for support of the filings on multiple location risks of those two organizations. A hearing has been set for Nov. 4 at the offices of the department here.

The purpose of the hearing and any attendant investigations that may be necessary is to determine, as to that class of risks insured under multiple location, reporting value and automatic pick-up forms covering five or more locations (commonly known as Interstate Underwriters Board business), whether the rates and rules therefor meet the requirements of the rating section of the New York insurance law.

The hearing will investigate rates on this class of business both outside and in the state, according to the order.

The notice advises N.Y.F.I.R.O. that it will be expected to furnish at or before the hearing such information as it, its members and subscribers may have to support its filings for this class of business.

Apparently, Mr. Dineen is not satisfied with the so-called intra-state average plan which does not grant discounts or impose surcharges. This he made clear in his talk on I.U.B. at the convention of Ohio Assn. of Insurance Agents. There he pointed out that the "average" proposal was a radical departure from the plan urged at the Philadelphia meeting of the commissioners and was in many respects a return to the 1928 method of operation, which has been found unworkable. Again he said "either there are economies (in handling this type of business) or there are not. The time has arrived to find out. We should not replace one plan based on unverified assumptions with another based on opposite but equally unverified assumptions. We need facts."

Mr. Dineen's action undoubtedly will upset the pattern which the industry had conceived as the solution to the multiple location risk underwriting problem. This pattern was pretty well under way, and contemplated establishment of the average rate for locations within a state. When that was permissible across the country (it has been approved in 38 states) there would be an interstate averaging, and as a final step a system of discounts and debits would be set up.

A meeting of I. U. B. members has been called for Nov. 9 to consider activities I. U. B. might perform for members in collecting information and documents from companies and furnishing this to bureaus on behalf of such companies. This information would be the kind called for by the uniform rating plan for this type of business that has been approved by most of the states. I. U. B. committees have been studying the plan to determine what activities it could perform to assist member companies in the handling of such business. A change in the name of I. U. B. also will be considered, one which will more accurately describe its proposed activities.

The call for a meeting of this kind apparently indicates the intent of the industry to go ahead on the proposed pattern for handling this type of business, in spite of Mr. Dineen's show cause order.

Accountants Hear Talks on Reg. 30, Expense Allocation

Department Chief Urges Company Cooperation with Examiners

More than 150 attended the annual conference of Insurance Accountants Assn. at Philadelphia with regulation 30 and expense allocation getting most of their attention. The members were welcomed to the city by Frank A. Eger, comptroller of North America.

The great usefulness of the figures produced by the accountants was emphasized by L. M. Michel, secretary of Fire Association. He pointed out the ever increasing importance of figures under the rate regulatory laws which now require a mass of data for governing bodies throughout the country. Rate changes cannot be made without statistical support. Only with the data of the accountants and statisticians and imagination and vision can the industry build its future, he said.

A thorough review of the problems created for the accountants by the New York department's regulation 30, was given by William MacKenzie, Hartford Fire, who said that the first and foremost problem is that of commissions, and the requirement that all commissions be broken down as to direct, assumed, and ceded, by primary and secondary lines. The commission allocation problem is a thorny one, he stated, because of the varying rates of commission by line of business and by territory.

He dwelt at length upon the problems created by regulation 30, and the differences of opinion among industry and the commissioners over the Insurance Executives Assn.'s study of the subject. "We are still hopeful that insurance commissioners of the various states will see the wisdom of adopting a uniform classification of expense," he said. Apparently many of the problems commented upon during the discussion will be solved if the N.A.I.C. blanks committee and National Assn. of Insurance Commissioners adopt the recommendation of its sub-committee on uniform accounting. At its meeting in New York the sub-committee adapted the New York proposal to the annual statement and the experience exhibit and recommended that the N.A.I.C. approve its work.

Cooperation with Examiners

There must be a cooperative approach and intelligent thinking about mutual problems, and an appreciation of the common aim of the accountants and the examiner, with the understanding that what is good for fire insurance is good for the public—and vice-versa, Joseph T. Geoghegan, chief examiner, fire division, Connecticut department, stated in his talk.

He discussed the convention procedure on examinations and made several suggestions to the accountant to facilitate the prompt completion of an examination. He urged that before the examiner arrives the management call an organization meeting of all interested department heads and advise them of their individual responsibility in the examination and appoint a chairman or contact man to be the clearing medium for all examination problems. He should be an executive familiar with the operations of the company and arrange for headquarters, equipment, etc.

The following records should be available: a summary of reinsurance con-

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DUTCH UNCLE ADVICE

What Manufacturer Expects of Agent and Company

The specific things a manufacturer expects of his agent and insurer were delineated by Russell B. Gallagher, manager of the insurance department of Philco Corp., before Rhode Island Assn. of Insurance Agents.

Before the agent solicits the account, he should learn about the manufacturer's business, products, methods of production, sale and distribution, his plant and equipment, his suppliers, the amount of business he does and with whom, Mr. Gallagher urged. Also, the agent should set up a tentative program of insurance based upon the information he has collected. Insured's needs differ. Check his fire rates, a simple procedure, to see if they approximate the rates of other manufacturers occupying similar plants. Then, when he calls on the manufacturer, by appointment, he will have a specific reason for asking for his time.

Getting More Information

The agent can point out the advantage of having a completely coordinated insurance program, illustrating it by referring to the tentative plan already prepared. If the agent is sufficiently convincing, he may ask the manufacturer for opportunity to discuss problems with department heads and thus obtain information to make a complete analysis of his exposures, with recommendations of an over-all plan of insurance and a quotation on its cost.

The agent should not ask to see policies before he delivers his own plan because he has a stronger case if he can say, "Regardless of what insurance you carry, these are my recommendations. Let's see how they compare with your present program." This is a strong attack, difficult to evade. Also he will weaken his case if the manufacturer gets the impression he is nothing but a second guesser who never speaks first. And if his plan is not sufficiently sound, he should not have the privilege of robbing a more astute agent who has set up a sound program.

Get What Client Needs

Coverages should be drawn to fit the client's needs; he should not be expected to conform to a standard pattern. When the client needs a non-standard coverage, get it for him, Mr. Gallagher advised. Don't accept argument that it has never been done, it's against company underwriting rules, or, even, state law. If necessary, the agent should draw up his own plan, take it to his insurance commissioner and get his opinion on its legality. Then sell it to an open minded underwriter.

This is being done every day. For instance, a client has employees stationed semi-permanently in several foreign countries which have no workmen's compensation acts. The employer wishes to protect these people, yet they are not covered by the extra-territorial provisions of the w.c. act in the manufacturer's own state. The insurer is not entered to do business abroad, but it can write a policy of indemnification or, possibly, endorse the existing w.c. policy, to grant coverage on a voluntary basis. Or, the client has open stock coverage with the theft endorsement which covers only within the building. The client makes a practice of loading trucks from a platform which extends outside of the building. Why not extend the policy, as well?

The ability of the client to pay a premium should never be made the measure by which the agent arrives at a rate. The rate must be adequate but it is up to the agent to see that it is not excessive. Don't shop a line up and down the street but do know what the boys next door are doing, he urged.

When a coverage is advisable, when

an increase in rate is necessary, when the amount of insurance coverage is insufficient—stand up and say so. The client will admire the agent for it, if he can back up opinion with sound reason or fact. On the other hand, if the client is unreasonable in demanding a differential in cost or an unfair loss adjustment, take him aside and give him sound advice unflavored by personal desire. It's not necessary to talk down to him, however. He is mature, even if he doesn't understand insurance jargon. Also, he is still the principal.

The agent cannot accept the opinion of an underwriter when it is at variance to his client's needs, Mr. Gallagher believes. Company men recognize a weak sister as far as they can see one, and give him just what the book prescribes. The underwriter rates the agent on his knowledge of the business. When the agent has an account, it should not be neglected to get new business. He advised the agent to learn all he can about each account; analyze it and discuss it with company men. When calling on established clients, don't just drop in socially. Have a purpose, discuss it, get a decision and get out.

Sells Neglected Insured

A young agent of Mr. Gallagher's acquaintance made up a work schedule, calling only on accounts which had been with the same agents for longer than five years. He sold 40% of the prospects to whom he told his story, when he proved that neglect had raised hob with their insurance protection. He never used cost as a weapon because he found that the average medium-to-large account usually places protection before cost.

The manufacturer believes his agent should have an organization and not be a one-man show. He would like to see the agency spending some its income developing an organization for better service. The dividends will be great.

"Have you considered the impression it makes on your client when you have to bring in the company man each time you need to discuss even a common coverage? Would it be better to develop this skill in your own office?"

A loss may be the direct result of the agent's failure to act courageously, he said. When the client grumbles about the inspector's recommendations, does the agent consider the full implication of the recommendation, or does he quiet the inspector to ease his embarrassment? He recommended that agent sit down with client and inspector, listen to reasons for and against the recommendation, and then give his opinion to the client. Don't be afraid to stand up for what is right, he urged.

After Loss Occurs

After the loss occurs the manufacturer expects the agent to see that the claim report is properly executed, promptly filed and acted upon, by the insurer. The agent's knowledge of the contract, insurance law and the common law, means much to the manufacturer, otherwise he wouldn't employ the agent. Where will he suffer the greater loss, through the occurrence or through the adjustment? Many losses are settled to the detriment of the insured only because neither he nor his agent knows how to present the claim properly. This does not mean that the adjuster would be unfair, but he isn't familiar with the manufacturer's business. The agent should complete the proof of loss form with insured, checking his figures for accounting or other errors; he should know how to collect every cent to which insured is entitled and do it.

The manufacturer has had experi-

(CONTINUED ON PAGE 26)

New Setup of Wm. Penn Fire Is Announced

Forms Separate Operation with National of Denver; Simon President

Wm. Penn Fire has announced its complete separation from the previous association with Rhode Island and Pioneer Equitable through the termination of all reinsurance treaty agreements.

The company is moving its executive and underwriting offices to the new Western Saving Fund Society building at Broad and Chestnut streets, Philadelphia.

Management of Wm. Penn Fire has been undertaken by a complete new group of officers and directors, none of whom have had any former connection with either Rhode Island or Pioneer Equitable.

The president of Wm. Penn Fire is Joseph B. Simon, long established in Philadelphia and well known as a management consultant, and head of Poto-mac Investment Co. and among the new directors are R. Sturgis Ingersoll, of the Philadelphia law firm of Ballard, Spahr, Andrews & Ingersoll, and Charles Denby, of the Pittsburgh law firm of Reed, Smith, Shaw & McClay. Walter E. Knecht, Jr., is vice-president of Wm. Penn.

The same changes and personnel announcements will apply to National of Denver, the affiliate company of Wm. Penn Fire.

Pioneer Equitable, it is understood, is preparing to return to Indiana with headquarters at Indianapolis. D. K. Kennedy, local agent at Muncie, Ind., is now the president.

These moves spell the end of the proposed merger of Rhode Island, Wm. Penn, Pioneer Equitable and National of Denver into a single company.

Affairs Are Intertwined

The affairs of these four companies and of San-Nap-Pak Manufacturing Co. and Claude Neon, Inc., have been interwoven. Stewart Hopps has been an influential figure with Rhode Island; Lowell Birrell has been a big factor in San-Nap-Pak and David Bonner has been the leading factor in Claude Neon. San-Nap-Pak controls National of Denver and the latter owns practically all of the stock of William Penn Fire.

Claude Neon owns control of Pioneer Equitable which in turn is the largest single stockholder of Rhode Island.

Reinsurance Replaced

For the past several years the underwriting operations of Rhode Island, William Penn, Pioneer Equitable and National have been handled by International Management Corp., the executives of which were officers of Rhode Island. This arrangement was terminated recently.

Rhode Island states that all reinsurance treaties that were held with the other three companies have been replaced elsewhere.

Active direction of Pioneer Equitable is now in the hands of Patrick H. Mell with the title of executive vice-president. He was formerly southern department manager of Pearl and before that was Philadelphia manager of Home. He has also seen service with American Fore.

The Marion Lamm agency, Golden, Colo., has been purchased by Jack Burt Pat Lovelace, formerly of the Lamm agency, has established an agency at Wheatridge, Colo.

Byrne Criticises Marine Insurance Restrictions

If the system of nationalized and restrictive government control of insurance continues to grow throughout the world, it will eventually lead to such chaotic conditions that the whole basis of free enterprise will be imperiled, John T. Byrne, president of Talbot, Bird & Co., and president of Assn. of Marine

Underwriters of the U. S. declared in his address before the hemispheric insurance conference at Mexico City this week.

Mr. Byrne said that the values of commodities shipped and amounts paid for shipping and other services far outweigh the comparatively small sum paid for marine insurance. The tendency under any system of government control, which often includes licensing of exports and imports as well as control of insurance, is for the insurer who is protected by such restrictive laws to charge higher rates than other markets. He pointed out that as world trade be-

comes more normal and shortages less acute, competition will force the buyer to seek the cheapest market, not only for commodities, but for the marine insurance, and this will increase conflicts between control and free insurance markets.

He asked if it is wise for any country to set up restrictive barriers on marine insurance which will require other countries to do likewise? Eventually the whole principle of free trade reciprocity will be imperiled.

Criticises S. A. Practices

Mr. Byrne criticized the practices in some South American countries where restrictions apply on insurance whenever the property becomes located within the country. Merchandise shipped from abroad may be insured abroad, but when it arrives no further insurance may be placed except in admitted companies. He said the properties in transit should have no restrictions with regard to insurance because they bring out difficulties which cause friction and ill will. For example, a consignee may wish to store a shipment for short periods of time and then redistribute the merchandise to other parts of the country, or upon arrival at a port may wish the merchandise to be transferred immediately to another port or place. If the original insurer is not admitted, its representative cannot extend the policies to provide coverage.

Breaking Packages a Headache

The consignee may not wish to open the original packages for inspection since this would be costly and delay shipment, and local admitted companies are unwilling to insure merchandise without inspection. Therefore, the consignee must ask the shipper to extend the original insurance certificate and unless the consignee is an old and valuable client, the shipper often is reluctant to do this.

The principle of permitting free insurance on exports to cover goods in their original packages until the package is broken for distribution within the importing countries without the necessity for the insurer to be licensed at the point of destination is an important one, Mr. Byrne declared.

Underwriters Adjusting Makes Three Field Changes

Underwriters Adjusting has made three changes in its field organization.

A. H. Loesch, manager and general adjuster at Lincoln, Neb., has been transferred to Detroit as assistant manager. Mr. Loesch has been with Underwriters for 15 years in Nebraska.

Basil Sparlin, who has been on the Omaha staff, has been transferred to Lincoln to succeed Mr. Loesch as manager. Before service at Lincoln, Mr. Sparlin was at Evansville, Ind., and Hopkinsville, Ky.

Underwriters Adjusting has opened a new office at Dearborn, Mich., with S. N. Felthouse in charge. Mr. Felthouse has been at Detroit and before that was manager at Battle Creek.

Informative Research Opens Office at Phoenix, San Diego

Informative Research, an insurance inspection and report organization of Los Angeles, has opened a service office in Phoenix with E. B. Crites as manager, and at San Diego with Thomas W. Monahan in charge. The organization also has an office at San Francisco. The principals of the firm are Joseph F. Hartnett, manager, and W. B. Taylor, production manager.

Millers National Installs Music

Millers National this week is installing "Music by Muzak" in its home office. The company joins a group of the larger Chicago insurance offices to feature this service, among them being Hartford Fire, Aetna Fire, and America Fore.

Sidelights on Fleets in Answers to Canadian Queries

Some interesting sidelights on the question of company fleets and their operations are afforded by the replies to a questionnaire sent out to those groups by the Canadian department. That department would like to see fewer fire and casualty companies operating in the Dominion, but considers it doubtful whether this can take place until laws of New York and other states have been amended.

It submitted these questions to the company groups: "Would the elimination of the subsidiary or any of the affiliated companies of your group or groups reduce the premium income of your office? If so, could that result be avoided by changes in existing restrictions on agency representation? Would the expense ratio of the continuing companies be reduced as a result of such elimination?"

Replies Are Analyzed

The groups were fairly unanimous in their opinion that a reduction would decrease the premium income in their Canadian offices; a more equal division of opinion appeared in regard to the effect of a revision of agency rules, with the majority, however, holding that such changes would not avoid loss in income, and a similar division was apparent as to the effect of elimination on the expense ratio.

In connection with the second point the department cites an application for license from one company which states frankly that it desires to increase its agencies in the principal cities. It refers to the rule of a company association which limits to two the number of agents of any company entitled to the higher rate of commission in certain excepted cities. The department says:

Excepted Situation Anomalous

"It is not surprising that offices in competition for volume of premium in those excepted cities found it to their advantage to increase the number of companies and thereby the number of preferred agents. . . The logic of the regulation permitting higher commissions in areas with the greatest concentration of volume of business is not readily apparent and it may be that time will bring about a change in a somewhat anomalous regulation."

Another application from a casualty company seeking to write certain casualty classes, including automobile liability, which other members of its group are unable to write, gives the Appleton rule in New York as the chief reason for having to enter another member of the group in Canada.

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Finds No Buyer Resistance to Wind Deductible

Program Needs Undivided Support of Industry, S.E.U.A. President Says

PINEHURST, N. C.—B. F. Weaver of Royal-Liverpool, in his presidential address at the meeting of Southeastern Underwriters Assn. here, said he is greatly impressed by the public acceptance of, and the absence of buyer resistance to the windstorm and hail deductible. With the present widespread use of extended cover, even moderate storms produce thousands of claims, most of which are of an extremely minor nature but costly in the aggregate loss total and with adjustment expense disproportionate to the amount of claim. Manpower is lacking to handle the many small claims and adjustment of the important claims suffers.

Adjusters, company executives and many thoughtful agents have concluded that the deductible is an economic necessity and a practical need. Nevertheless, even though an agreement was reached on the advisability of carrying through the deductible program in all of the S.E.U.A. territory, there has been a lack of internal coordination by company executives in not informing the field forces as to the company position and the reasons therefor. This has made the introduction of the program to the public and to the agents difficult. Some uninstructed field men have given sufficient support or encouragement to agents in opposition to the program to cause uncertainty in the minds of supervisory authorities as to where the industry stands.

Keeping Ranks Informed

Mr. Weaver emphasized the importance of keeping "our own ranks" fully informed on such decisions of policy.

Gratifying progress has been made in the deductible program, he said, and referred to the official rates, rules and forms publications for Alabama, Florida and Georgia, and the forms changes as announced for South Carolina.

At the outset Mr. Weaver expressed the belief there is an easier feeling in the business generally, a feeling that the major problems have been met with some degree of success and that those that still require solution can be handled with more leisure and assurance. A more comfortable feeling in the southeast is influenced by the approach of the end of the hurricane season, "having escaped serious disaster and loss after a series of alarms, near hits and glancing blows."

Mr. Weaver said he is encouraged by the growing acceptance of the idea that it is vital to the public's interest as well as that of insurance companies that they be allowed adequate rates to insure continued soundness, provide needed capacity and to attract the new capital necessary to keep pace with the prodigious development of this country. He said it is clear that the inflated prices and greatly increased cost which many thought would disappear or be greatly alleviated after the war are here to stay for some time to come. This means in the insurance business that increased costs of replacements will continue to be reflected in losses and the pressure for capacity will continue indefinitely. The rate situation must be considered with these principles in mind.

Since July 1, 18 engineers have been added to the S.E.U.A. staff. A 30-day training school has been conducted and

a field training program is nearing completion. More frequent inspections of some risks are being made and a material improvement in services can be expected.

Insurance Men at Aviation Clinic

Aviation insurance interests were well represented this month at the meeting of National Aviation Clinic at Detroit. This is an unofficial body which represents aviation interests and acts as a sounding board for U. S. aviation policy.

On hand from the insurance field were E. L. Stephenson, manager at Chicago of Associated Aviation; James Graham,

Chicago manager of U. S. Aviation; Richard L. Barnett of the Detroit office of Marsh & McLennan; Sydney Peterson and Alex C. Keith of the aviation department of the Detroit Insurance Agency; John S. Hammond, Hammond agency, Detroit; George DuR. Fairleigh of N.A.I.A., and E. J. Quick, Muskegon, Mich., a member of the N.A.I.A. aviation committee and official representative for the agents' organization.

O.K. Allstate Plan in Va.

Allstate has been authorized by the corporation commission of Virginia to

write auto physical damage coverage for private passenger and commercial cars in that state for a six-month period, to be automatically insured for the succeeding six months upon payment of the required premium. It is also authorized to deviate from regular manual rates, rules and schedules.

Bernard L. Antisdel has been appointed manager of the life insurance department of the McQueen agency, Racine, Wis. He has been in life insurance since 1946, following his discharge from the naval air force as a lieutenant commander.

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Arthur Fair Goes to Top Post in Bay State Group

BOSTON—Arthur B. Fair of Natick was elected president of Massachusetts Assn. of Insurance Agents at its annual two-day convention here, attended by 400.

Graham Smith of Brockton was elected vice-president, and Dana J. Lowd, Northampton, national director. New regional vice-presidents are John F. Fitzgerald and Robert M. Boyd of Boston and H. Tenney Gage of Haverhill.

George "Birdie" Tebbetts, catcher of the Boston Red Sox baseball team was the star speaker of the opening luncheon session Tuesday. As an insurance agent from Nashua, N. H., he told his audience that a "feeling of determination and confidence" is necessary for an agent to be in the big league. He warned the agents never to "ease up," citing that someone unconsciously eased up at some point in the late season games, otherwise the Red Sox would have won.

Example of "Easing Up"

Leaving a prospect with a "Let me know when you are ready for me" constitutes easing up and means the difference between being a big leaguer or a bush leaguer.

He stressed retirement income insurance and said all big league players put a certain portion of their income into that protection.

William S. Crean of Lacy Sales Institute, Boston, declared greater competition is ahead through direct writing companies and direct mail, and agents must develop a personality and establish themselves as leaders in their communities.

Raymond C. Dreher, advertising consultant, outlined a plan of local surveys by agents to determine what most appeals to buyers and to ascertain if their own agencies are getting the maximum amount of business possible in their communities.

The banquet Tuesday was addressed by Jarvis Hunt, counsel of Associated Industries, representing the governor, and Commissioner Harrington, after which James H. Powers, foreign editor of the Boston "Globe," talked on "The Berlin Story."

Morrill to Discuss Reg. 30

Thomas C. Morrill, New York deputy superintendent of insurance, will discuss regulation 30, the uniform accounting rule, at the Nov. 9 meeting of Insurance Accountants Assn. at the Hotel New Yorker.

Home Honors Hauschild

John L. Hauschild of the Charles W. Sexton agency at Minneapolis was honored at a 50-year party there by Home. He has represented Home for 50 years, and was a special agent 1902-05. Vice-presidents Leonard Peterson and David H. Moore from the home office were present. John E. Jackson, Home manager at Minneapolis, was toastmaster. Those with the agency for 25 years rounded out the group.

Pry to Boston in N. J.

Boston and Old Colony have appointed Carl P. Pry special agent in northern New Jersey. He replaces Robert P. Moore, who has entered the agency business. Mr. Pry joined Crum & Forster in 1935 and advanced to field work. In 1941 he traveled the New York suburban territory as engineer and special agent. In 1945 he went with Agricultural in New Jersey.

Reardon Heads Brokers

Insurance Brokers Assn. of Massachusetts has elected H. A. Reardon, Boston, president.

Rodda Eyes Airport Fire Prevention

In proportion to its economic importance and its fire hazards, the aviation business is inadequately protected compared with the average industry, William H. Rodda, secretary of Transportation Insurance Rating Bureau, said in his talk before the air transport section at the National Safety Congress in Chicago.

The flying business in the United States lost by fire last year more than \$9 million worth of airplanes and hangars, and this does not include additional losses because of business interruption, Mr. Rodda pointed out. When these losses are insured, the flying business as a whole eventually must pay for them in higher premiums.

Mr. Rodda said that on inspection tours, airport after airport is found with no fire protection except a few hand extinguishers of questionable condition and maintenance. Only occasionally is a field located where employees have been organized in any way to combat fire. He said that this is a sad situation in an industry which is struggling to keep its head above water financially.

Is a Management Shortcoming

Inadequate fire protection at airports is primarily a management shortcoming because efficient organization of existing employees is the principal need, not expenditure of large sums for firefighting equipment. He emphasized that there must be a nucleus of permanent paid firemen to handle the first unit of firefighting at every airport concerned with transport operations.

Mr. Rodda noted that every airport is plagued with a tremendous fire hazard in the form of flammable fabric, gasoline vapors, and dozens of flame and spark producing devices. Flammable materials must be kept separated from flames and sparks by a fire prevention program. When fire does occur there must be instant mobilization of the fire control force sufficient to prevent its spread.

It is unfortunate, he said, that the professional type of fire department is not available at many airports and apparently will not be for some while to come. Apart from flammable vapor and other explosions, which should be attacked from the prevention angle, most airport fires start small and can be controlled in their incipient stages provided there is someone present who is trained to attack them instantly and intelligently.

Reins Club Sees Movies

At its October dinner meeting, the Reins Club of New York heard a lecture and saw motion pictures taken by Hugh R. Stephenson, Bowes Co., on his trip through the Orient.

Pruett Joins P.W. in Mo.

Frank M. Pruett has been appointed state agent for Missouri by Providence Washington. He will be associated with George P. Cook, state agent, with headquarters at Kansas City. The Kansas City office services all of Missouri except St. Louis and St. Louis county.

Mr. Pruett formerly was with Home at Kansas City.

Prentiss B. Reed, independent adjuster, will speak at the New York Saving Bank Insurance Forum Nov. 18 at a meeting in New York City.

Clyde B. Blackard, Indiana state agent for New Hampshire, is at Chicago this week observing his 25th year with the company. He was guest at a dinner at the Union League Club given by W. G. Shipe, western general agent, and was presented a gold wrist watch on behalf of the company by H. C. Ferry, assistant general agent, who is now assuming his new duties at Chicago. Mr. Blackard celebrated his birthday on Wednesday.

A.M.A. Conference Dec. 2-3

American Management Assn. has called a national conference of insurance buyers from all industries at the Drake Hotel, Chicago, Dec. 2-3 under the auspices of A.M.A.'s insurance division to discuss the impact of current economic conditions on insurable values, recent state legislation requiring adjustment of company practice on social security benefit insurance for employees; and current problems in placing risks.

Other subjects to be discussed will include depreciation of insurance, adjustment of use and occupancy claims, the relation of insurance buyer to top management, and the development of insurance programs for business companies to meet current needs.

Slayback O'Hanlon Head

Directors of O'Hanlon Reports, Inc., have elected Howard A. Slayback president; Mrs. Cora W. O'Hanlon vice-president, and J. G. S. Johnson, secretary-treasurer. Mr. Slayback, formerly vice-president, succeeds the late Edward P. O'Hanlon, who died suddenly following a talk in St. Louis. Mr. Slayback has been with the organization since it started in 1934 and previously was with Hooper-Holmes from 1930 until 1934. He was assistant manager in Newark when the new firm was organized. Mr. Johnson formerly was treasurer of the company and has been with it since organization. Prior to 1934 he was for many years treasurer of the old Manufacturers Liability of Jersey City. The company operates nationally through 23 branch offices.

Kennedy Forms Own Unit

Clyde D. Kennedy has opened an independent adjusting company for companies only at Kansas City. For the past five years he has been superintendent of claims and branch manager at Kansas City for Aero Insurance Underwriters. Previously he spent 17 years with Western Adjustment.

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HEMISPHERIC SPEAKER

Investment Ills
During Inflation
Described by Kappes

Investment difficulties of insurance companies in countries where government exercises more authority over business than in the U. S., or where a dollar shortage has led to severe inflation were described by Luis Kappes of Santiago, Chile, at the second hemispheric conference in Mexico City. Mr. Kappes is president of Coordinating Commission of Assns. of Insurers and president of Reinsurance Fund of Chile. Mr. Kappes took up his subject as it applies in Chile, pointing out that the laws of economics and their effects press with the same force on all countries.

In a normal economic regime, he remarked, it is not difficult to find investments that will yield a proper and steady profit; but in the face of a worldwide shrinkage of the purchasing power of money, investment policies must be adjusted to reality and not to mere theory. He said that on the other hand, sound industrial securities, comprising real estate, buildings, machinery and merchandise in general have gone up in value in comparison with the lower value of money.

Should Avoid Govt. Bonds

There has been a tendency during late years for governments to require insurance companies to invest in government securities or in securities of public organizations. Mr. Kappes pointed out that this is an inflation by-product. The idea has become general and it is necessary to contract debts in money, which is worth less every day, in order to purchase things which as compared with that money are worth more. As long as such a situation lasts, capital should withdraw from the government bond market and from all kinds of money which has depreciated. He said that in Chile, mortgage bonds have depreciated 60% of their value when issued. In Chile the public is not interested in investing in bonds. The government has lost this means of obtaining revenue and recourse has been had to paying some obligation in bonds and requiring institutions over which the government has any authority to invest a part of their income in bonds. Government intervention in industry has led it to require insurance companies to invest a part of their capital or reserves in such enterprises.

Warning on Long Term Notes

Mr. Kappes recommended that insurance companies not invest on their own initiative in bonds or debentures payable on long terms and with fixed rates of interest for fear the depreciation of money may continue. They also should avoid investing in enterprises in which the government participates or in those controlled by public authorities. There is not to be found in such enterprises, he pointed out, the same careful administration as in private ownership or the same independence of criticism necessary to correct bad tendencies.

Real Estate Still a Good Bet

Real estate offers an advantageous employment of funds. It is for this reason in all the great cities of the world there are buildings for rent owned by insurance companies. They are in the best locations and are an index of the financial ability of their owners. Even though the exigencies of social politics are putting a limit on the commercial economy of buildings, he said that that investment still has a great future because of the movement of country populations to the large cities.

He suggested a distribution of investments among different types of businesses with the thought in mind of what investments can mean to the busi-

ness of the insurance company because of good relations brought about through capital support. Investments should be well known publicly and evaluated as being first class so that policyholders have confidence in the company administration. He suggested that investments not be changed frequently because a lack of stability gives rise to comments and to the habit of forming speculative judgment.

At the Heart of America Blue Goose luncheon at Kansas City, Capt. Phil Hoyt of the Kansas City police department, described the use of the lie detector in crime prevention. Most Loyal Gander George C. Bredberg presided.

C. P. McDonald Is New
N. D. Agents President

North Dakota Assn. of Insurance Agents at its annual meeting at Bismarck elected as president C. P. McDonald of Fargo; vice-president, Harold Montgomery, Minot; national director, Chas. A. Dawson, Fargo, and secretary, Howard D. Berget, Fargo.

Executive committee members are Loyde Thompson, Grand Forks; Arthur A. Powell, Devils Lake; Clair Simpson, Fargo, and W. H. Shermorry, Williston.

Clay D. Smith, representing Assn. of

Casualty & Surety Companies, presented a superior award plaque to Gov. Aandahl in recognition of the state's driver education program.

Mahoney Dates Corrected

The New York state joint legislative committee on insurance rates and regulation will resume its hearings Nov. 22-23 at the Hotel Roosevelt, New York. Senator Walter J. Mahoney, committee chairman, said dates for the subsequent sessions will be announced later.

THE NATIONAL UNDERWRITER last week gave the dates incorrectly as Nov. 24-26.

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NEWS OF FIELD MEN

Montana Field Men, Blue Goose Meet

Montana Blue Goose and Montana Fire Underwriters Assn. met at Butte.

Fire Underwriters Assn. at its annual meeting elected K. D. Edwards, Commercial Union, president; Les Panger, St. Paul F. & M., vice-president, and Wilbur Wolf, Home, secretary-treasurer.

At the Blue Goose midyear meeting, E. W. Trenbath, most loyal grand gander, made an official visit, and dignitaries from the Alberta, Can., pond, R. K. Smith, most loyal gander, and Lloyd Dalgeish, keeper, represented that body. A life membership certificate was awarded to Ray C. Culver, Fireman's Fund, and he was appointed deputy most loyal grand gander for the Montana district. E. J. Sullivan, E. L. Dee, and David S. Thomas were awarded 25-year pins.

J. R. Carmichael, Hanover, most loyal gander, presided at the banquet at which Mr. Trenbath was speaker.

Okla. Initiation at Tulsa

Eight candidates were initiated into Oklahoma Blue Goose at Tulsa, preceded by an afternoon of golf. Sixty members from Oklahoma City attended, headed by E. C. Dice, most loyal gander, who conducted the initiation. H. W. Murray, big toad of the Tulsa puddle, presided at the meeting.

New Pacific Coast Pond to Be Installed Nov. 5

Fresno-San Joaquin Blue Goose, granted a charter at the recent grand nest meeting, will be formally installed Nov. 5, with the San Francisco and California ponds participating.

Most loyal gander is J. Brooks Lamkin of O. W. Pearson Co.; supervisor, Ronald R. Bolt, adjuster; custodian, Howard C. Eliason, London-Phoenix; guardian, Elmo R. Tibbets, McSherry & Co.; keeper, Edward A. Dobbins, Commercial Union; welder, Robert T. Eten, National Automobile Club.

E. W. Trenbath of Seattle, most loyal grand gander, has been invited to attend the ceremonial.

Wis. Dinner-Dance Dec. 4

Wisconsin Blue Goose will hold its holiday dinner-dance at Hotel Schroeder, Milwaukee, Dec. 4. Arrangements are in charge of Thomas A. Hites, Boston, and Richard P. White, Hanover. A cocktail hour will precede the dinner.

Nutley Inspection a Success

"At least minor defects" were found in some 80% of the risks investigated in the recent inspection of Nutley by New Jersey Insurance Fieldmen's Assn. it was reported at the October meeting by Clemens Fortman, Fireman's Fund, Newark. Cooperation of the town was

excellent and the group plans another one for spring. Some 110 men participated. C. P. Carlson, Automobile, head of the association, presided at the meeting.

Missouri Inspectors Active

Pleasant Hill was inspected by Missouri Fire Prevention Assn. Oct. 26. Lester Ostemeyer was chairman of the local committee. Kenneth Hingst, American, spoke at the schools and M. W. Broockman, National Fire, at the luncheon.

Festus and Crystal City will be inspected Nov. 4. A. C. Gunther, National Fire, will speak at the luncheon, Arthur L. Corey, Travelers, at the high schools, and Earl S. Hannan, Western companies, and H. R. Alm, Springfield F. & M. at the grade schools.

W. Va. Inspectors Busy

West Virginia Fire Prevention Assn. staged a dual inspection of Logan and Williamson. Thirty-one field men reported for the Logan inspection and 23 turned out at Williamson. At Logan a total of 211 risks were inspected, 92% being defective, with 792 recommendations. At Williamson 178 risks were inspected, 96% being defective, with 733 recommendations. At both places the field men were guests at a dinner of the local agents.

At Williamson there was a radio broadcast calling attention to the hazardous conditions of the schools. This has stirred up public interest and the matter is being followed up by the state fire marshal.

Clough to Fireman's Fund

R. D. Clough has joined the Fireman's Fund as special agent in Minnesota with headquarters in the Plymouth building, Minneapolis. For the past five years he has been farm and hail special agent in Minnesota for America Fore. He started in a local agency. He will specialize with Fireman's Fund in farm business.

Bergstrom in N. J. Field

Ohio Farmers has appointed Charles A. Bergstrom special agent for New Jersey. For the present, his headquarters will be at 132 Ridgewood avenue, Brooklyn.

Mr. Bergstrom entered insurance in 1927 with Continental in New York city. Later he was with Home in the underwriting department. For the past four years he has been an underwriter at the head office of Crum & Forster.

Cal. Pond Initiates Oct. 29

California Blue Goose, Los Angeles, has planned an old-time initiation at its next meeting Oct. 29. In addition to the business session and the initiatory ceremonies, an entertainment program will be presented.

CHICAGO

ALPHA CHI EPSILON DINNER

The biennial reunion dinner of the Alpha Chi Epsilon fire insurance fraternity is being held Saturday evening, Nov. 13 at Palmer House, Chicago. This is composed of the members of the fire insurance courses that were conducted at Northwestern University and at Columbia, but that were discontinued in the depression days. The group will hold a business meeting in the Chicago Board rooms that morning. In the afternoon there will be a television set up at the Palmer House to witness the Northwestern-Notre Dame game from South Bend. President of Alpha Chi Epsilon is Richard Shipper, North America; vice-president, E. J. Clements of Marsh & McLennan; secretary, R. F. Urbauer of Home and treasurer, J. G. Hughes, Phoenix of London. It is expected that about 50 will attend the dinner.

HARTFORD ACC. TEAM CHAMPION

For the second successive year the western department of Hartford Accident at Chicago has retained the championship trophy in the Insurance Softball League there. Capt. Charles Gilmarin and Manager Charlie Dello guided the team to the north section leadership against such opponents as National Fire, Western Adjustment, Hartford Fire and W. A. Alexander & Co., while Continental Casualty was dominating the southern section. In the play-off series Hartford defeated Continental with 4-3 and a 16-3 games. The Hartford team, many of them veterans of last season's competition, is hoping that next year the league trophy may become a permanent possession of the western department.

LA SALLE HOTEL APPEALS

La Salle hotel, Chicago, has appealed to the U. S. Supreme Court to review the decision of the seventh circuit court of appeals holding that the total liability of London Lloyds under an innkeepers burglary policy was but \$10,000 for theft of the personal effects of guests following the La Salle hotel fire on June 5, 1946.

The hotel maintains that Lloyds is liable up to \$10,000 for the loss of belongings of each guest, but Lloyds so far has been successful in its contention that all of the theft losses were part and parcel of the fire and total liability is simply the limit of the policy. There was some \$100,000 of property of guests that was stolen.

GRAHAM ON INSTITUTE BOARD

A. T. Graham, broker for many years associated with the Chicago branch office of Standard Accident, Tuesday was elected to the board of governors of Insurance Institute of America, at a meeting at New York. This represents a three-year term in the office. He was

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Los Angeles	Phoenix	Seattle	Portland
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nominated by a committee of which J. A. Bogardus of New York was chairman.

Mr. Graham some 36 years ago was president of the Institute for two terms and he also for one year was chairman of the examination committee which grades all papers submitted by students throughout the country.

He is chairman of the Chicago committee which annually for many years has sponsored the Institute course.

COMPANIES

Westchester and Richmond Merger Is Projected

The directors of Richmond and Westchester Fire have approved a proposal to merge the companies under the name of Westchester Fire.

The proposed merger is subject to the approval by vote of two-thirds of the stockholders of each corporation and to the approval of the insurance superintendent. A meeting of the stockholders of the companies will be held Nov. 23.

Both companies are under Crum & Forster management.

Richmond traces its beginnings to 1836 and at Dec. 31, 1947 had assets \$6,760,188, capital \$1 million and net surplus \$4,169,590.

Westchester's history goes back to 1837 and in its latest statement it reported assets of \$32,065,198, capital \$1 million and net surplus \$12,803,190.

Hartford in New Addition

HARTFORD — Eight home office departments started work Monday in Hartford Fire's new addition on Cogswell street. The new building was started in August, 1947, to relieve congestion in the old building. By the end of November about 700 people will have been transferred to the new building.

NEW YORK

JOINS ROLLINS-BURDICK-HUNTER

Hugh A. Mullins has joined Rollins-Burdick-Hunter at New York as average adjuster.

Mr. Mullins, who was born in England and served a five-year apprenticeship with Thames & Mersey in Liverpool, came to this country in 1911. He initiated an average adjusting department for Marsh & McLennan in 1915 and was a director in charge of average adjusting of Frank B. Hall & Co. from 1919 to 1921.

He established his own office as an independent average adjuster in 1921 and the following year became senior average adjuster for Johnson & Higgins. In 1943 he was named a director of John F. Curry agency.

Mr. Mullins has lectured on average adjusting for New York University, Columbia University, University of Pennsylvania and Insurance Society of New York. He was prize winner in the first two marine insurance examinations held in England.

KENNETH BLACK NAMES AIDS

The New York City committee on arrangements for the meeting of National Assn. of Insurance Commissioners there Dec. 12-15 has been completed by Kenneth E. Black of Home, the chairman. Members are Thomas Silver of Lumber Mutual; Junius Powell, Chubb & Son; Jesse Phillips, Great American Indemnity; John R. Barry, Corroon & Reynolds; Ray Murphy, Assn. of Casualty & Surety Companies; C. G. Taylor, Jr., Metropolitan Life; Orville Davies, General Exchange; Henry Wood, Equitable Society, and Howard P. Dunham,

American Surety, who will serve as treasurer.

Harold Hyer, New York independent adjuster, discussed loss adjustment at the October meeting of Risk Research Institute.

Fire Preventionists to Throng to Hartford

A joint two-day northeastern fire protection conference and N.F.P.A. regional meeting is being held Thursday and Friday in the auditorium of Aetna Life at Hartford.

John L. Wilds, Protection Mutual, president of N.F.P.A., will call the conference to order. Other welcoming speakers will be Governor Shannon, Mayor Coleman; John Ashmead, Phoenix of Hartford, and J. H. Brewster, vice-president and treasurer of Aetna Life.

There is an extensive program. Speakers include Laurence J. Ackerman, University of Connecticut; T. Alfred Fleming, National Board; Miss Dorothy Downs, Fireman's Mutual; Percy Char-nock, New England Fire Insurance Rating Organization; F. P. O. Potter, Aetna Life; William R. Ford, Factory

Insurance Assn.; H. E. Newell, National Board; John B. West, factory mutuals; M. M. Brandon, Underwriters' Laboratories.

The conference will close with visits to the Aetna and F.I.A. laboratories.

Ga.-Fla. 1752 Club Formed

Charter officers of the newly organized Georgia-Florida 1752 Club are: President, Ernest A. Ullrich, southeastern manager of Utica Mutual and past president of the Dixie 1752 Club; vice-president, Merle Waugeman, southern manager of Central Manufacturers Mutual, and secretary-treasurer, Joel Cloud, special agent of Northwestern Mutual Fire.

The club will hold regional schools for casualty and fire agents in Florida and Georgia.

Advice on Watchmen

Factory Insurance Assn. has published a new manual, "When the Watchman Takes Over." The two-color, fully illustrated booklet furnishes instruction data for watchmen and develops the idea that successful watchman service depends upon the extent to which management is willing to accept responsibility for maintaining such service.

The realization that a plant is under the control of a watchman over half of the time and acts on behalf of management in safeguarding the investment of stockholders points up the necessity of maintaining complete watchman service. Since, in a matter of minutes, a successful business can be destroyed through the perils of fire or explosion, it is important that men to whom these values are entrusted shall be chosen not only for character, reliability, competency and judgment but also that they shall be properly trained to act in an emergency.

Hyland Opens New Agency

Holmes Hyland, who for 2½ years was casualty underwriter at Spokane for the United Pacific, has resigned to return to Seattle and establish a local agency. Before the war, when he served in the navy as lieutenant commander, Mr. Hyland was special agent of Employers group in Washington.

Marshall Stalley, secretary of United Smoke Council, Allegheny Conference on Community Development, addressed the Smoke & Cinder Club of Pittsburgh. He told of the progress in the campaign for smoke elimination in Allegheny county.



1848

GROWTH tells its own story!

1948



Looking Back... and AHEAD!

One hundred years ago The Liverpool & London & Globe Insurance Company Ltd. was just getting started in the United States—in a few rooms at 56 Wall Street and with a personnel consisting of two men, Alfred Pell (the L & L & G's first authorized agent in the United States) and one clerk. Today the Company can point to service offices countrywide, staffed with experienced personnel, and a nation-wide network of capable field men who have been thoroughly trained in the Company's Educational School.

These established facilities and the planned activities which are gradually taking shape will serve as a constant reminder that the L & L & G keeps looking ahead and molding its services to keep pace with ever-changing times.



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Companies Blamed for Market Shortage by N. Y. Broker

NEW YORK—Stating that the stock fire companies have shown themselves unable to solve the market shortage problems of producers, George F. Sullivan, president of General Brokers Assn. of Metropolitan District, at the group's annual dinner here, predicted that the following events would take place before the buyer of stock company insurance would be able to get it freely, promptly, and at tariff rates: The present shift to other forms of insurance carriers must increase, premium rates must stay at their present levels and reductions must be made as quickly as the loss ratios warrant it, the volume of business written during the next 12 months must be a substantial reduction

from the present peak, and the executives of the stock companies must decide they will subordinate their legitimate individual interests to the interest of the industry as a whole.

Speaking before some 750 persons gathered at the annual dinner he requested that consideration be given to the desirability of a uniform commission to brokers on all lines except workmen's compensation.

He urged legislation making lawful actions in concert in the establishment of commission standards, and predicted that agreement would be reached on the details and procedure during the 1949 state legislative session.

Brokers Loyal Just So Long

He concluded by asserting that the brokers would cooperate fully with the companies in efforts to solve the market problem and then urged that something be done about it immediately. Brokers, he said, find the companies not ready to take all the desirable business offered to them but if the companies cannot find a solution either individually or collectively then "I am sure they cannot expect the producers to forego their livelihood. Loyalty to a system or to people lasts just as long as the system or the people can make it mutually advantageous."

W. E. Mallalieu, general manager of the National Board, was awarded the brokers gold medal for outstanding service to the industry during the past year. Leonard Jacobs was chairman of the dinner committee. Superintendent Dineen of New York was the final speaker.

Schedule Minn. Inspections

Minnesota Fire Prevention Assn. will inspect Litchfield Nov. 23, Hutchinson Jan. 19, Alexandria in February and Red Wing March 15.

Harlan A. Smith, who has been with the Kansas City office of Missouri Inspection Bureau since the war, is joining the Dulaney, Johnston & Priest agency, Wichita, as engineer.

Long Beach Insurance Assn. heard Raymond C. Kealer, city councilman, discuss the oil revenue situation. The association will hold a golf tournament Nov. 9, with dinner in the evening.

At their October dinner meeting, Indianapolis Assn. of Insurance Women heard a discussion of the Nuernberg trials by Clarence F. Merrill, prominent insurance attorney, who recently returned from Germany after having served as a judge on the tribunal.

U. S. Visitor



Thomas Wallas, general manager of London & Lancashire Ins. Co., Ltd., shown upon his arrival at San Francisco via United Airlines recently. With him is Gilbert Kingan, U. S. manager, who has his headquarters at Hartford. Messrs. Wallas and Kingan currently are on a tour of U. S. and Canadian insurance offices.

McCormack Assails Decision on Dealer Licensing

NASHVILLE—Speaking at the first session of the annual convention of Tennessee Assn. of Insurance Agents, Commissioner McCormack declared that unless the supreme court's decision allowing automobile dealers to be licensed by Motors Ins. Corp. is "corrected promptly we are to nullify our state constitution and abolish our executive branch of government" and "the judicial branch of government will be allowed to replace trained executive judgment in specialized lines, such as insurance regulation." Mr. McCormack read a paragraph from the decision of the state court of appeals in which his action in refusing license to auto dealers was sustained.

Webb Follin, Jr., John Hancock Mutual Life, Nashville, brought the agents up to date on the surgical and medical plan of Tennessee State Medical Assn. Only minor details in fixing maximum amounts that surgeons may charge for operations under the plan remain to be worked out. He reported that more than 90% of the doctors have agreed to work under the plan, that a meeting of the special association committee will be held soon to work out final details, and that probably half a dozen Tennessee life companies will qualify to sell the insurance.

In his address opening the session, President T. K. Robinson, Memphis, called attention to the fact that the uniform countersignature law proposed by N.A.I.A. at Chicago is "on exactly the same pattern presently in use in our own state." He pledged the Tennessee association to unite with other state organizations in "fighting to retain present discounts on three and five year term fire policies." He recommended a repetition of the past year's plan of holding regional meetings. The present membership of the association is 350.

Cherokee Fire will be hosts to the ladies on a pilgrimage to the Hermitage. Joe Bandy, Stokes-Bandy, is chairman of the convention committee and George Goss, manager of the association, headed the program committee.

Plan Inland Marine Forum

NEW YORK—"Record Keeping Requirements in Inland Marine Policies" is the topic of the first in a series of open forums on inland marine subjects to be sponsored by the Inland Marine Claims Assn. The first forum will be Oct. 19 at the Cabin Restaurant, Pearl and John streets. Guest specialists will be invited to participate at each forum.

Anthracite Club Honors Davies

Garfield A. Davies, recently retired state agent for Home, was guest of honor at the September meeting of Anthracite Field Club of Pennsylvania, of which he is a charter member and past president.

Plans for the public relations program during fire prevention week were outlined by Philip O'Connell, New Hampshire.

Eight members of the home office staff of Home celebrated their 25th anniversaries with the company at a luncheon given in their honor yesterday. They are John W. Thuman, George Taylor, Charles Lauterbach, and Assistant Vice-president David H. Moore, of the Home's western department; Miss Kathryn Walton, cashiers department; Miss Katherine J. Beck, telephone department; Fred Tietz, suburban department and John A. Milne of the supply department.

Of the recently offered 100,000 shares of Boston, better than 99% were taken up by stockholders. The First Boston Corp. purchased those unsubscribed.

Butler of W. Va. Gives Views on Interstate Rating

A single rate for multiple location business is a distinct possibility and can be justified, but it must conform with the standards of the law that the rate shall not be excessive, inadequate or unfairly discriminatory, Commissioner Butler of West Virginia declared in addressing the luncheon meeting of Insurance Club of Pittsburgh Monday. He praised Superintendent Dineen of New York for stating in his recent Ohio talk that the commissioners should differentiate between local and national filings and must correlate their decisions if the public interest is to be served.

He also praised the action of zone 2 commissioners in recommending a joint working committee from the industry including agents and brokers, to meet with the N.A.I.C. committee on rates and rating organizations, on the multiple location problem.

Mr. Butler said that buyers and producers must come to realize that they cannot have exactly what they had before the era of rate regulation and they must recognize that their best long term interests are served under state regulation.

Mr. Butler criticized the theory which has been advanced by a few commissioners, that the broker of record letter might infringe on the rights of minority subscribers to a rating bureau if it resulted in restricting the amount of information to be divulged to such subscribers. Also these commissioners feel the same way about values filed for blanket rate purpose. What is important, Mr. Butler said, the rights of the buyer to protect himself with respect to confidential information to be used for rating purposes only.

Application of general law to the insurance business may cause some unfortunate results and insurance leadership must champion policies and practices that can be proved to be in the public interest even though they seem to fall within the prohibitions of general laws that were enacted without any consideration being given to insurance.

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Ohio Superintendent Tells Stand on Dealer Licensing

COLUMBUS—Superintendent Shield has issued an answer to the charges of Ohio insurance men opposing the reelection of Gov. Herbert because of the licensing of General Motors dealers as insurance agents. The position of the insurance department is that it had no choice in view of several court decisions, each case having been contested by the insurance department.



W. Lee Shield

"We are trying," Mr. Shield said, "to administer the law as it has been interpreted by the courts."

Motors Ins. Corp., the statement points out, was licensed in Ohio in 1940, at which time there was an insurance department ruling prohibiting the licensing of applicants connected with automobile sales business, except as life insurance agents. In 1945, two suits, one by Motors and one by W. J. McGraw, an applicant for a license, were filed against former Superintendent Dressel, who had been appointed by Gov. Lausche. Gov. Herbert, who was then in private practice, was counsel for McGraw. P. R. Gingher, counsel of Ohio Assn. of Insurance Agents, was appointed special counsel for the office of Attorney General Jenkins in these cases.

In a decision against the insurance department, Common Pleas Judge Leach late in 1946 held that the insurance department had no power to add to or subtract from the qualifications for an agent's license, as established by statute and that applicants for agents licenses must be dealt with as individuals on their merits and not as members of a class. The decision was upheld by the Ohio court of appeals in 1947.

Hearings Held

Early this year, Motors applied for licenses for agents who were also automobile dealers. Superintendent Shield held four public hearings, involving applicants from Cleveland, Columbus, Akron and Cincinnati, on the ground that he was not satisfied that these applicants could comply with the statutory qualification that it must not be the purpose or intention of an applicant for an agency license to use his license principally for the purpose of insuring his own property or that for which he or his employee is a vendor. Mr. Gingher was again assigned to represent the insurance department in the hearings. Each applicant offered a sworn statement that it was not his intention to use his license principally to insure his own property or that for which he or his employer was the vendor and in each case offered corroborative evidence; while no contrary evidence, other than that the applicants were engaged in the automobile sales business, was offered. The insurance department, therefore, felt that it had no alternative but to admit these applicants for examination. An appeal from the superintendent's decision was rejected by the Franklin county common pleas court.

"It has been and is," Mr. Shield's statement concludes, "the position of the superintendent of insurance that as an officer in the administrative branch of government it is his duty to administer and enforce the laws as enacted by the general assembly of this state, and as interpreted by the courts, and that he cannot substitute for such law his personal opinion concerning what might or might not be good for the insurance industry of this state. Any contrary position would be a violation of his oath to enforce the law and would be a flagrant disregard of the American

concept of government by law."

Commerce Director Milligan, who has general supervision of the insurance department, and who has been attacked by Lausche supporters because he opposed a proposed amendment to the insurance qualification law last year, which would have prohibited licensing automobile dealers, defended his action recently. He was quoted by the "Ohio State Journal" as denying that Gov. Herbert ever instructed him to do anything about the bill. He said he opposed the bill because it would have given the superintendent of insurance arbitrary power to determine who should be licensed and because the bill, in effect, would have built a fence around a portion of the insurance industry, reducing the number of persons who could sell insurance.

"I also feel," Mr. Milligan said, "that a public official cannot arbitrarily discriminate in favor of or against one group or another."

TURNER STATEMENT

SPRINGFIELD, O.—H. M. Turner, chairman of the Insurance Agents Lausche-For-Governor Committee, issued a statement denying that the Ohio insurance department had been compelled by court decisions to license automobile dealers as insurance agents. He said that the 1946 decision held that no person could be excluded from making an application for license by reason of his type of employment, but that each applicant should be judged on his merits, but did not say that the state should license automobile dealers. There is nothing in any decision which justifies the licensing of over 600 General Motors dealers, the Lausche committee maintains.

Mr. Turner also pointed out that the decision of Judge Reynolds of last July, refusing review of the insurance department hearing on dealer application for licenses was under appeal when the automobile dealers were licensed. "This action," the statement concludes "prevented a fair hearing and final adjudication and tends to emphasize Gov. Herbert's abuse of his public office." The statement also points that Judge Reynolds said there is "a strong suspicion that the real purpose of securing an insurance license for a sales agent for automobiles is to place insurance on automobiles sold," in violation of Ohio law.

AGENTS ON OTHER SIDE

COLUMBUS—A group of Ohio insurance agents, headed by Ralph W. Hoyer, general agent of John Hancock Mutual Life here, has been organized to work for the reelection of Gov. Herbert. The committee says that the governor has been unjustly criticized by an organization of insurance agents. A letter sent to 20,000 agents says:

"There has been some misguided and unjustified criticism of Gov. Herbert. His critics fail to tell that the action they criticize was the action of the courts and not the insurance department."

HERBERT ISSUES STATEMENT

Gov. Herbert has issued a statement bearing on insurance issues:

"The endorsement by my opponent of Mr. Truman and his administration is of particular importance to every insurance man and to every insurance policyholder in this state, as well as to every businessman who believes in private enterprise as opposed to government monop-

oly in any business field.

"The national Democratic administration, for several sessions of Congress, has tried to put over the Wagner-Murray-Dingell bill which would put the government into the insurance business. In spite of its failure to pass Congress, some of its socialistic-minded proponents have succeeded in getting similar legislation in several states. I am unalterably opposed to this government competition in insurance. As long as I am governor, Ohio will enter into no compulsory accident and health insurance schemes.

"The national Democratic administration was also responsible for the famous Southeastern Underwriters' case, by which regulation of the fire and casualty insurance industries was taken from

the states and turned over to the federal government. Only prompt action by a Republican Congress, plus the enactment of fire and casualty rating laws such as have become the law here in Ohio during my administration, has saved these branches of insurance from the stifling grip of federal regulation.

"If the insurance industry is to remain free and strong, so that it can continue to grow and increase its service to insurance owners, it must be supported in government by officials who wholeheartedly believe in the principles of free, private enterprise. This cannot be done by those who advocate the socialization and federalization of insurance, nor by a Democratic governor in Ohio who has declared his support of

(CONTINUED ON PAGE 31)

EST. 1865

MILLERS NATIONAL INSURANCE COMPANY

EST. 1876

ILLINOIS FIRE INSURANCE COMPANY

*Fire and Allied Lines
Automobile
Marine*

HOME OFFICE... CHICAGO
EASTERN DEPT... PHILADELPHIA
PACIFIC COAST DEPT... SAN FRANCISCO

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The Northern Assurance was organized in Aberdeen, Scotland in 1836 as an Agency Company. It has remained so all-ways.

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EDITORIAL COMMENT

Management Grows Safety-Conscious

An insurance man reported that the most significant message for him out of the greater welter of speeches produced in the more than 200 different sessions of the mammoth National Safety Congress in Chicago, was that of T. M. Martin, president of the Lion Oil Co. of Eldorado, Ark. Curiosity piqued, we obtained an extract of this speech and began to peruse it with an eye peeled for lightning and an ear for thunder. We found it an excellent speech, well turned, but failed at first to feel any startling impact. Mr. Martin proceeded in orthodox fashion to outline what insurance company people and safety engineers have been advocating for many years. He urged an effective safety program among employees as a sound investment. He stated that industry takes great pains to guard and protect investments in equipment and machinery for future work and it's just a case of good business to try to do the same for an employee who represents an investment in time and money.

Then came the phrase, "a safety program cannot succeed to its fullest unless it is accepted and supported wholeheartedly by the company officials." Then, suddenly, we had it. The significance of Mr. Martin's talk to that insurance man was clear. It was not so much the content of the talk that gripped him, but it was the idea that this was a representative of top management so sold on the value of safety that he was making a talk on it. The fact that here was a president of a

corporation who recognized the tremendous importance of safety was what vested the speech with such decided significance.

This speech was an earnest of the success of the National Safety Council, the insurance industry and of safety engineers and other persons in increasing the interest of top management in the field of industrial safety. The engineers have narrowed the field down to a fairly exact science. But their work is of little value if all they can do is to discuss this science among themselves. Many a safety or fire prevention engineer for an industry or an insurance company has been frustrated by seeing his recommendations pigeon-holed for projects which top management thought were more important. Mr. Martin proved he is one top executive who recognizes no more important problem than providing for the safety of his company's most important asset, its employees.

So many times safety responsibility has been relegated to a minor official who is saddled with more other duties than he can successfully handle. His tendency is to concentrate his attention on his concrete problems and to regard safety as nebulous. Or if he works out a good safety program, he does not have enough influence with his bosses to implement it. We are entering an era where prevention is properly recognized as a concern of top management, granted the top priority it deserves.

Apprenticeship in Insurance Needed

There is noticeable hiatus existing in the fire and casualty business because of the lack of interest of particularly capable young men following the war. We do not have in the making young men of what might be termed managerial or executive ability that should be in the most promising state at this time.

A great need is for what might be termed apprenticeship. We see this in the manual trades where a certain number of young men that take up work are drilled by their superiors, learn lessons from them and when the time has arrived they are fully equipped to take regular jobs and receive the standard pay.

The advantage of this system is that young men start learning at the bottom, go through the various stages until they are equipped as journeymen. They thus

have a knowledge of the work in which they are engaged and they gradually climb the ladder. We have little akin to this unfortunately in the insurance offices. Many young men come in and think they are capable of starting somewhere in the middle instead of at the bottom. They do not have the essential training as they climb the lower rungs of the ladder. Some of them get a false idea of their own ability and capacity.

It seems to us that far more attention should be given to the training of promising young men, seeing to it that they get the right kind of a start and that they are supervised in the earlier years of their vocation. There is much to be gotten in the early years that will be most essential to real success later on. We certainly need schooling or ap-

prentice period in order to give young men the proper picture of the business.

Many local agents throughout the country understand the value of apprenticeship training in insurance company offices and they arrange for employment of their sons there at nominal salaries. The aim is to have the young men get a sound grounding in the business for a year or two and then take up positions in local agencies. While most of these young men are able to earn their salt after a few months, they are not permanent acquisitions for the companies. The point is that local agents, who are best able to judge the value of insurance training, seek insurance company apprenticeship for their sons. This should be persuasive to other capable young men of the value of becoming attached to a progressive insurance company organization and absorbing

everything there is to learn at the elementary level and developing such a proficiency that they cannot be denied when they have matured.

As we see it this early training or apprenticeship is the best preparation for a young man who desires to make insurance his permanent calling. After all executives are looking for young men of superior judgment and those that are able to carry through an assignment in a finished and satisfactory way. They want men who make the fewest mistakes. The work of insurance and its practical forms cannot be gotten by an intensive course of a few weeks. It requires long and arduous toil, keenness of vision, imagination and the gathering of new ideas from day to day. This requires time. All this has to be absorbed quietly and cannot be acquired under pressure.

PERSONALS

Alfred F. James, chairman of Northwestern National, suffered painful injuries to his hands recently when he attempted to extinguish a fire in his summer home at Fox Point, Milwaukee suburb. The fire destroyed most of the roof and penetrated to the second floor of the home. Mr. James was seated on the first floor when he detected the smoke and he suffered the burns while he was operating the fire extinguisher.

R. Chandler Kron, manager of the insurance department of Eastman Kodak Company, Rochester, has retired after 43 years of service.

Elmer C. Donnelly, northern Illinois state agent for Security of New Haven, is laid up at his home this week with a case of poisoning. He expects to be back on the job in about a week or 10 days.

DEATHS

Edward G. Lang, 84, Pittsburgh agency head since 1888 and prominent in civic affairs for many years, died there. He was prominent in industrial and banking circles as well as the insurance field.

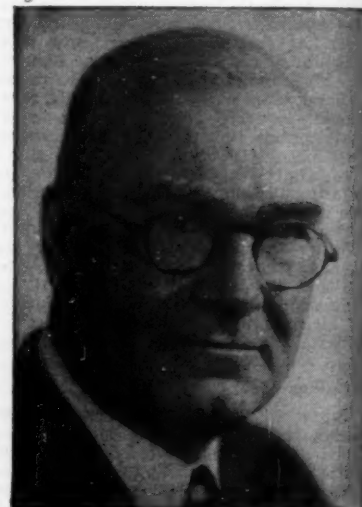
John A. Dittmann, 63, of the Macken & Dittmann agency, Syracuse, died at his home. He was chairman of the Syracuse Housing Authority and a leader in civic affairs.

Frank C. Roulon, 76, who had been in the insurance business with the George H. Olmstead agency at Cleveland, is dead. He formerly was a professor at Hiram College.

John B. Van Houten, staff adjuster for General Adjustment Bureau, died at his home at Haddonfield, N. J. Mr. Van Houten for 33 years had adjusted major losses in southern New Jersey until ill health curtailed his activities two years ago. He served in the Philadelphia office of the bureau of G.A.B. until his transfer to Atlantic City in 1945.

Macfarlane, Am. Fore Veteran, Dies

J. H. Macfarlane, secretary and assistant western manager of America Fore, died Saturday at Swedish Covenant hospital, Chicago, at the age of



J. H. MACFARLANE

75. He had actually retired from active service Oct. 1, but he was to have stayed on the rolls until Feb. 1 so that he could complete 30 years in the service of Niagara Fire. Before entering the hospital he was tendered a luncheon by E. A. Henne, vice-president and western manager, and the other western officers. He had entered the hospital for treatment for circulatory trouble but his death was unexpected.

Mr. Macfarlane had supervision of Illinois and Wisconsin and the states west of the Mississippi river. He was a great favorite with the organization. He enjoyed the social contact of the business and wherever America Fore was located, he always saw to it that his office was situated so that he could

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hail any visitor to the management sector.

For five years, until she died a year ago, Mrs. Macfarlane was hospitalized and Mr. Macfarlane was at her side every evening and throughout the weekends. Mr. Macfarlane was born at Greenock, Scotland, but was brought to Canada by his family when he was a baby. He had been in the insurance business 60 years.

For some years he served in various western department offices at Chicago, his longest connection having been with Providence Washington. He started field work with Newark Fire when it was handled on a general agency basis from Chicago by Carol L. DeWitt. He became state agent in Michigan and Ohio. When Cleveland National commenced business in 1914 he became executive special agent. The next year he was advanced to managing underwriter and in 1918 was elected first vice-president. He resigned in 1919 to join Niagara Fire as secretary at New York. Incidentally Cleveland National was reinsured by Niagara Fire in 1923. In 1929 Niagara Fire became an America Fore company and Mr. Macfarlane then went to Chicago as secretary of America Fore.

At the time of his death he was a member of the executive committee of Underwriters Service Assn. and was a former president of that organization as well as of Western Hail & Adjustment Assn.

Frank M. Phipps, 51, for the past seven years Pacific Coast co-manager of Globe & Rutgers, died suddenly at his home at San Francisco.

The coast office will be in charge temporarily of S. W. Kaufman, secretary of the company, who happened to be in the Pacific Northwest at the time of Mr. Phipps' death.

Mr. Phipps had previously been a special agent for Bankers & Shippers and in 1929 organized and operated the Wallace-Phipps General Agency, which dissolved when he and Al G. Wallace were appointed co-managers of Globe & Rutgers.

E. Joy Roberts, 57, Spencer, Ia., local agent, died of a heart attack while driving home from Des Moines. He had operated his agency for a number of years and was active in civic affairs.

F. A. Townes, independent insurance adjuster at Wichita Falls, Tex., for the past several years, and formerly manager there for Fire Companies Adjustment Bureau, died. His business has been acquired by Ralph R. Moore and the business will be continued under the firm name of Moore-Rinehart Adjustment Co., with R. P. Rinehart, an adjuster of 20 years' experience, managing the office. He will have associated with him Craig Moore, who has had 10 years' adjusting experience.

Mrs. Eliza Ann M. James, wife of John James, president of Salt Lake Cambrian Assn., former British consul at Salt Lake City and former Utah insurance commissioner, died at the fam-

ily home. She was born at Lincolnshire, England, in 1870.

George E. Corby, vice-president of Albert Rees Davis Co., and active in insurance for 41 years, died at his home in Rocky River, Cleveland. He was for many years with Aetna Casualty, resigning as its manager at Cleveland about seven years ago to enter local agency work. Earlier he was associated for many years with the late W. G. Wilson, long general agent of Aetna at Cleveland. Mr. Corby had served as a trustee of Ohio Assn. of Insurance Agents.



George E. Corby

Edward M. Gerhard, 57, local agent and civic leader at Oconto Falls, Wis., died following a heart attack suffered after his return from a duck hunting trip.

Homer F. Sherrill, 67, local agent at Crawford, Neb., died there.

Joseph Holderness, 74, local agent at Ulysses, Neb., since 1919, died at Doctors hospital, Omaha, following a major operation.

Lewis Terwilliger, 79, who conducted a local agency at Livingston, Mont., for many years, died after a long illness. He went to Montana in 1895 as an educator and served as high school principal until 1939 when he entered the insurance business. He was mayor of Livingston from 1919 to 1922.

Institute Holds Annual Gathering

NEW YORK—There is a shortage of trained teachers in insurance education; greater coordination of present facilities for the study of insurance appears to be desirable, and an orientation course is needed for the thousands of new employees who enter the business each year, Laurence E. Falls, secretary of Insurance Institute of America, said at the annual meeting here.



L. E. Falls

The institute has enlarged its program and is assisting with teacher training aids and an orientation course. The time is not right, he believes, to propose any extensive consolidation among the institutions and agencies now giving courses in insurance. Also, the institute is encouraging and assisting in the organization of new classes and insurance societies.

The institute this year conducted a conference attended by 32 educators and personnel managers. These discussions have been transcribed and placed in a bound volume. Other similar conferences will be held, and this record, Mr. Falls believes, will furnish a manual for the guidance of teachers entering the field. Another educators forum will be held next spring.

The institute also is working on an introductory course to insurance, approximately 15,000 words, about half the length of the present institute course in principles of insurance and suretyship.

Rexford Crewe, New York production manager of Hartford Accident, was elected president. Vice-presidents are John A. Diemand, president of North America, and Richard V. Goodwin, vice-president Fireman's Fund. Laurence E. Falls was reelected secretary-treasurer. Mr. Crewe succeeds James A. McLain, president of Guardian Life, the latter taking a position on the governing board.

Governors elected are E. H. Boles,

chairman General Reinsurance; A. T. Graham, chairman institute's education committee, Chicago; W. A. Herbert, president Springfield F. & M.; H. P. Jackson, president Bankers Indemnity; Gilbert Kingan, U. S. manager London & Lancashire; James L. Madden, vice-president Metropolitan Life; Junius L. Powell, Chubb & Son, and Mr. McLain.

The Edward R. Hardy prize to the most distinguished graduate was awarded to Loring M. Barker, actuary of Fireman's Fund, San Francisco.

Diemand Preaches Business Freedom

There are only a few instances of actual entry of government into the insurance business in the United States, and they constitute so small a part of the business and are so isolated that they are not considered representative of the general policy of government toward insurance, John A. Diemand, president of North America, said in his address at the Hemispheric Insurance Conference at Mexico City this week.

Mr. Diemand outlined his views on free enterprise and discussed regulatory trends in the U. S. He emphasized that the kind of interference that private business opposes is that which conflicts with the work which private companies are fully able to carry on.

In recent years, Mr. Diemand said, there have arisen leaders for the cause of "security." In every case this has proven to be the surrender of certain elements of individual freedom to government in return for financial payment. Security and freedom actually are opposites and incompatible, he said.

Business men are often asked to surrender some form of their freedom to government in return for security in one form or another. Usually the offer is rather tempting. Mr. Diemand said that too frequently business men surrender voluntarily to such offers in the hope they may gain protection against competition, but often these government aids prove to be snares which lead into a situation where the loss of freedom more than offsets any apparent advantage which the government may give.

Must Improve Services

He stressed that if insurance companies wish to avoid undue interference by government, they must continue to improve not only their technical services, but give evidence of their appreciation of public needs for new and improved forms of coverage, for improved methods of preventing losses as well as for indemnity when losses occur. There must be better loss adjustment methods and more efficient and less costly administration.

A constant striving for improvement of the insurance business in the interest of policyholders and the general public is the price the industry must pay for the right to continue to operate under the free enterprise system, he declared. Insurance companies in their demands for freedom of operation must recognize the price and conditions of that freedom.

Marine War Proposal

In the report of the meeting of International Marine Insurance Union, the statement was erroneously made that it had been recommended that in the event communications should be interrupted during another war, notification of a claim to Institute of London Underwriters or to Lloyds should be deemed sufficient notice no matter where the cargo is insured. Actually, the recommendation is that there be introduced in all policies in all countries a clause to the effect that a joint notice published in London by Lloyds and Institute of London Underwriters should be considered a notice of cancellation to the insured. In other words, it is notification of cancellation of policies and not of claims which is being considered should communications be interrupted.



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Record Attendance for Kansas Rally

JOHN STOTT'S MESSAGE

Urges Kansas Agents to Assume Bigger Role in Insurance

John C. Stott, Norwich, N. Y., president of the National Assn. of Insurance Agents, in his talk at the annual meeting of the Kansas association last week in Wichita, said that agents have failed to recognize and take advantage of their proper position in the insurance industry. Mr. Stott attributed this failure to apathy, selfishness or self-satisfaction and he warned that the agency system will rise or fall in direct proportion to the honest service rendered the public. He advised self-analysis and self-criticism to determine how well agents can meet the test of the years ahead.

Mr. Stott said that there will be a mild revolution in the long established procedures of the business. Agents will find it easier going if they resolve themselves into the representatives of the public and inject their thoughts and ideas into the business. New studies are called for if the agency system is to meet the new demands of the insurance industry.

Tells of New Trends

He mentioned several of the new ideas coming forward and advised that they be studied and measured against present operations. Changes in the term rule are being discussed, and Mr. Stott asked if there is an element of discrimination as the rule now operates? Will the five-year term policies be discontinued? Will the three-year term be discontinued? What does the public want in respect to term insurance? What do the agents want? How would agents and companies meet tremendous additional detail if term insurance is abolished or restricted?

Insurance supervisory officials and companies are studying those questions, (CONTINUED ON PAGE 16)

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Lelli Preaches P.P.F. Reform; Warns of Alternatives

The importance of getting proper insurance to value under the personal property floater, not only from the standpoint of the insurer, but also from that of the assured, was emphasized by Urban M. Lelli of Chicago, secretary of Phoenix of Hartford, in addressing the annual meeting of Kansas Assn. of Insurance Agents. He not only pleaded with agents to improve the percentage of coverage, but he indicated the possibility that unless such reform is accomplished there may be introduced distasteful alternatives such as substantial rate increase, actual attachment of the 80% coinsurance clause, dividing the values at the time of issuance of the policy and limiting liability to the amount of the value declaration, or eliminating coverage for mysterious disappearance and accidental losses.

Mr. Lelli said he was not predicting that any one of these measures will be taken but he did say he was certain that if any one or more of such controls were applied, the loss ratio would be materially reduced.

Cites Kansas Experience

Mr. Lelli recalled that in 1947 the personal property floater premiums written in Kansas were \$343,408, losses paid \$192,514, giving a paid loss ratio of 56.06. The earned loss ratio was 82.84.

Mr. Lelli cited some actual examples to show how insured had been caught short or stood to lose substantially because of inadequate amounts of personal property cover. The personal effects insured under a P.P.F. can be totally destroyed by fire, tornado or earthquake or explosion and insurance to value is as important to the property owner as to the insurer.

The speaker said the agents have done a magnificent job in increasing the insurance on buildings, but much remains to be done to bring the coverage on contents up to current values. Any property owner that will not insure at least 80% to value is not a P.P.F. prospect, regardless of values involved, he said. Those who are not fully insurance-minded should be covered under specific peril contracts until they become eligible for the P.P.F. It is unfair to the majority who have purchased the contract on a proper basis, to permit a few to insure on the basis of low insurance to value. This lays the business open to charges of discrimination.

Favors the Deductible

Mr. Lelli spoke in favor of the deductible and said that 45% of the P.P.F. business is written on that basis. The loss ratio with a deductible, on a paid and written basis is 34.09 and on an earned and paid basis, it is 63.34. The assured save a substantial premium and the insurers are 16 points better off in loss ratio, plus the time saving in avoiding the handling of small losses.

He reminded agents in writing the

P.P.F., to be on the lookout for other personal lines such as jewelry and furs having a value over \$250.

Mr. Lelli also gave some observations on cargo insurance. He pointed out that the cargo premiums last year for all types of trucks exceeded \$19½ million.

If the trucking company operates under a state public utilities or interstate commerce commission endorsement, the agent should get a financial statement on the blanks furnished by his insurance company. When the insurer files for the account of a trucking company, it automatically converts the coverage to all risks up to \$1,000 per truck per shipper. Although there is an undertaking on the part of the truckman to reimburse the insurer for any claims not covered by the original policy, unless the truckman is financially able to do so, the insurer will have to pay for claims for which it has not collected a premium. This coverage is in the nature of a completion bond and he pointed out that surety companies are particularly solicitous in writing that type of bond.

Underwriting Information

Then the agent should determine the number of trucks used for long distance hauling and radius of travel in miles and the number used for local delivery. Other facts to be determined are division between panel and stake trucks, commodities hauled, gross receipts, whether trucks are equipped with safety gasoline tanks, with alarms against theft and whether employees are screened before employment. If oil stoves are used at terminals, the agent should recommend a central heating plant. Gasoline pumps should be on the outside of the building.

The limits of liability needed at each terminal should be determined, the addresses of each terminal secured and the fire and E.C. rates. The agent should inspect each terminal at eight in the morning, at noon and between 4:30 and 6 in the afternoon to determine the average exposure.

The terminals should be insured separately so that their experience and that of the over-the-road exposure can be separated. Also by insuring the terminal separately, the limit of coverage at terminals to 72 hours that is often found in over the road forms is eliminated. A deductible is highly desirable.

The golf prizes were presented by Joe Moddrell and Claude Dearth of the Wichita committee. Every one of the 57 golf players received a prize through the generosity of the companies, general agencies, state agents and agents who contributed toward the prizes. Low medal was won by Don Reed of the Paul C. Yankey agency, Wichita, with Nesbitt Fink, Topeka, runner up. High medal went to Richard L. Hill, Wichita, with Edwin S. Nellis, Topeka, second high. For the field men, Don Shannon, North British, was low medal and Bill Noble of Morrison, Besack & Beale, was high.

Bacon and Ross Take Executive Posts at Wichita

Stott, Duboc, Sullivan,
Lelli Head Varied
Speakers Roster

WICHITA—With a record registration and announcement of a new membership high, Kansas Assn. of Insurance



G. F. Bacon



Alpha H. Kenna

Agents held its annual meeting here last week. John C. Stott, Norwich, N. Y., new president of the National association, was the headline speaker, the first time a National association president has appeared on a Kansas program.

The agents were offered a varied fare of speeches and heard from Commissioner Sullivan of Kansas, President R. B. Duboc of Western Casualty, Urban M. Lelli, secretary at Chicago for Phoenix of Hartford; William W. Hamilton, executive manager of the Illinois association, and L. A. Magill, assistant manager of Kansas Inspection Bureau.

George F. Bacon of Bacon-Hasler Co., Eldorado, was advanced to president of Kansas Assn. of Insurance Agents at the closing session of the annual convention. He succeeds Charles Schoonover, Jr., Garden City. Mr. Bacon has served as vice-president and executive committee chairman during the past year and previously headed the farm committee. Kenneth Ross, Arkansas City, was named vice-president and becomes nominee for president next year. He is also executive committee chairman. Carl R. Guilkey, Independence, was named secretary succeeding Nesbitt Fink, Topeka, who was named treasurer. Past President Victor G. Henry, Wichita, conducted the installation.

Alpha H. Kenna, executive manager, was reappointed for his third term at an organization meeting of the new executive committee, receiving a substantial increase in salary. Edwin S. Nellis, Topeka, was renamed state director, and

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the four new executive committee members are William Kline, Hutchinson; Robert Charlton, Lawrence; Cheney Prouty, Kansas City, and James J. Wilcox, Emporia. All but Mr. Kline are past presidents of their local associations. Mr. Charlton's father, the late Glenn Charlton, was an early president of the Kansas association. Holdover members of the executive committee are Howard Fullington, Wichita, and Charles Schiefen, Colby.

Committee Heads Named

President Bacon announced his committee chairmen for the new year to include Nesbitt Fink, finance; Raymond

companies for not providing a market for today's industrial insurance needs. He asserted that industry has figured out ways adequately to serve their customers and insurance companies owe complete service to the insurance public.

He said that buyers must have the protection they seek or it will lead to government entering the business. Agents must convince their companies that the volume given them today is not "boom" business. He said that 45% of the volume today is not sold. A solution is for the agents "to get out and sell the business."

Agents should be better qualified and

should pass examinations such as accountants must pass. He mentioned coverage overlooked by many agents such as explosion of pressure vessels and business interruption. He said that following a property damage loss, credit will usually permit replacement of the buildings, machinery, equipment and stock; but questioned where money could be secured to pay salaries, taxes, dividends to stockholders and the other losses of business interruption except by insurance. Mr. Compton said that if he had to make a choice between property and business interruption insurance, he would buy business interruption. He

added that insurance is not sold the way roofing is sold—"if roofing were sold the way insurance is, we would be broke," he concluded.

Commissioner Sullivan's Talk

Commissioner Frank Sullivan commended the Kansas association for its progress during the past few years and said a happy relationship now exists between the department and association. As to securing a more adequate agent qualification law, Mr. Sullivan said it is the agents' problem to sell the public on the idea "that insurance agents need a law requiring them to be competent."



Ray B. Duboc



Chas. Schoonover

L. Budge, St. John, fire prevention; Max Staley, Wichita, membership; Alex Case, Marion, farm; Victor G. Henry, conference; Marjorie Wilson, Topeka, local board and education; L. B. Brown, Wichita, speakers bureau; Wade Patton, Hutchinson, grievance; Webb Woodward, Topeka, legislative, and Robert Charlton, Kansas University short course. Each committee chairman will have a local chairman in each of the eight zones of the state.

The executive committee will meet in late November with the Kansas public relations and educational committee of the Kansas field clubs.

Alpha H. Kenna, executive manager, announced that the membership had reached 500 when the 506th application was submitted at the banquet, the previous high being 481.

395 Register

Registration totalled 395 agents and company men and 123 women, and 700 attended the banquet. With the continued help of the Kansas field clubs, it is hoped to increase the membership to 550 during the next year, while a series of some 12 to 14 group educational and public relations meetings scheduled for November throughout the state are expected to bring in many new members. Maurice G. Herndon, of the N.A.I.A. Washington office will be in Kansas to participate in the meetings. Edward F. McDermott, Home, is chairman of the educational committee of the field clubs, which are assisting.

Stating that the agents' obligation as citizens and business men is "to be Americans first and insurance agents second" since "if our democracy does not survive our business as we know it will not survive," Mr. Stott said that agents must be of more service to the public and their duty in the coming years is to make the American agency system work as an example of the American system. "We must demonstrate that private enterprise can do a better job than government," he said.

A record crowd of nearly 300 was on hand for the opening general session called to order by General Chairman L. T. Stubbs, Wichita. Mayor Robert E. Israel, Sr., of the Israel & Son agency gave the welcome following the invocation by H. A. Stutsman. Both men are charter members of the Wichita Board. President Schoonover was in charge for the morning session.

Buyer Opens Speaking Program

Opening speaker was James P. Compton, assistant secretary of American Asphalt Co., on "Insurance from the Buyer's Point of View." From the point of view of the industrial buyer of insurance, Mr. Compton condemned the

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Ray B. Duboc, President



E. C. Gordon, Secretary

Reviewing the department activities Mr. Sullivan said that tax collected in 1947 totalled \$2,544,000, only \$70,000 of which is appropriated for operation of the department. While every rate, policy and form must be approved by the department, Mr. Sullivan assured his audience that the attitude of the department is supervisory and not dictatorial. He said the department is definitely opposed to mail order business and will not admit any company which uses the mail order system.

Speaking of the Kansas Audit Bureau established Oct. 1, he said it was not its intent to discipline. It will be a money saving proposition when the system gets into full operation and the agent will be benefited. Operations of the audit bureau will raise the qualifications and service of the agent and make the business more of a profession.

Urges Safety Laws

Closing the morning program was L. B. Brown, of Brown, Ginzle & Co., Wichita, chairman of the accident prevention committee, who pointed out the long need of Kansas for an adequate financial responsibility law and a more adequate drivers examination law. He outlined how adequate laws operate in the some 12 or 15 states that have them,

and told of groundwork already done in Kansas with the legislative council which now has rough drafts of revised laws before it for consideration.

During the noon recess, all standing committees for the new year were organized and members appointed in advance were called to the front of the convention for public introduction. No luncheon meetings had been scheduled except the women's luncheon with Mary Helen Bandel of Dulane, Johnston & Priest, president of Insurance Women of Wichita presiding. Over 100 women attended, including Mrs. John C. Stott, wife of the National association president. There was a musical presentation of "Brigadoon."

"The Road to Progress"

Ray B. Duboc, president of Western Casualty & Surety, opened the afternoon program speaking on "The Road to Progress." The "guide posts" along the road to be followed were described. He said he is always inspired when he meets with an agency group as they are the contacts with the public. Too often the company managers become isolated and loose the pulse of the public, he said.

Urban M. Lelli, secretary at Chicago of Phoenix of Hartford, gave a discussion on selling the personal property floater and concluding with motor truck cargo insurance, both of which were very informative.

Tells Value of Membership

William W. Hamilton, executive manager of the Illinois association and secretary of the Chicago Board closed the afternoon session with his stimulating talk on "What Does It Mean?" He said it is fitting to have an annual meeting "to praise accomplishments, recognize short comings, and appraise purposes." He questioned what value is placed on the time spent on association work, contending that "those who contribute most, gain the most from the organization." Attitude, knowledge, leadership and responsibility are the keys to association progress, he said warning that the efforts of many may be nullified by the faults of the few who are guided by indifference, neglect, complacency, present-good enough.

Operations of the new audit department inaugurated Oct. 1 were described by L. A. Magill, assistant manager of Kansas Inspection Bureau, on Friday morning closing program. Mr. Magill outlined the common errors that are being found, such as incomplete forms, improper forms, incorrect rates and total insurance not agreeing with total of item. He pointed out that incorrectly written policies are poor public relations. The mechanics of the audit department were explained and numerous suggestions given the agents to assist the bureau. Care to see that endorsements issued as a result of criticism slips are complete and correct was urged; also that the criticism slips be returned with the endorsements. Mr. Magill pointed out that if no response to criticism slips are received within 30 days, the company is notified, and if there is no response at the end of 60 days, Kansas law requires that the department be notified.

Resolutions adopted at Wichita urged support of concerted effort toward securing a more adequate financial responsibility law and an effective drivers license law; greater efforts on accident and fire prevention, and cooperation with organizations having a similar purpose; and recommended that individual members assume responsibility to support efforts to preserve the American system of free enterprise and profit motive in business.

LARGER ROLE FOR AGENT IS URGED

(CONTINUED FROM PAGE 14)

Mr. Stott declared, and it is time that the agents begin to form conclusions from their own standpoint and from the standpoint of the public. Plans are already filed in some states for gradation of commissions according to the size of risk in the liability field. Mr. Stott asked if that has been thought through in Kansas. If these plans reduce agents' income—as they will in many cases, has the necessity of service charges on small risks to cover the cost of servicing and writing this class been thought out? If gradation of commissions on risk premium size comes and the agent asks for service charges on small business to offset possible loss, is he prepared to substantiate his requests with facts and definite operating costs?

Are agents giving sufficient thought and study to the fast growing school of thought in company and agency ranks that each individual line of insurance must stand on its own feet, premium wise, loss wise, company expense wise and commission wise? Mr. Stott asked. He warned his audience not to overlook the fact that a definite trend exists to pay agents of tomorrow only for the work they do and the service they render.

He said there are studies in progress designed to eliminate duplication of detail work in bookkeeping procedure in company offices. Studies are being made of the English insurance system in an effort to curtail writing of renewal policies and substitute a billing system.

Studies are going on to avoid the inclusion in a printed policy of the standard provisions, since less than 1% of the insuring public reads these provisions. Studies are being made to determine the possibility of eliminating all removal endorsements carrying additional or returned premiums on household personal property fire insurance.

If the agents desire to be protected in these matters, Mr. Stott suggested that as individual members of state and local associations they give them the thought and attention they deserve.

On National association activities Mr. Stott said that the average agent does not fully realize the worth of N.A.I.A. because the story of the National association has not been presented fully. This situation needs correction by cooperation between the state and national bodies.

Agency problems are assuming a national significance, and he gave as an illustration the auto rate filing in Virginia where the agents had to justify their commission. The N.A.I.A. actuary and the National Bureau of Casualty Underwriters did an outstanding job on behalf of the agents at this hearing and a decision supporting the bureau filing of the agents' compensation has been handed down. Only a few agents realize that the National association played such an important part in behalf of all agents in this case, Mr. Stott declared.

At Wichita Speakers Table



At the speakers table during the Kansas agents' convention at Wichita. Seated left to right: Charles Schoonover, Jr., Garden City, retiring president; L. T. Stubbs, Wichita, general convention chairman; Evan H. Browne, Jr., Kansas City, Kan., member of the executive committee and former secretary. Standing, from left: Victor G. Henry, Wichita, former president and new honorary life member; Edwin S. Nellis, Topeka, state national director; George F. Bacon, Eldorado, new president; John C. Stott, Norwich, N. Y., president of the National association; Alpha H. Kenna, Topeka, Kansas executive manager, and Frank Sullivan, Kansas insurance commissioner.

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Presentation of the Frank T. Priest cup to the Wichita association. Alpha H. Kenna, left, executive manager of the Kansas association, presenting the award to Robert E. Israel, Jr., president of the Wichita board. L. T. Stubbs, Wichita, general convention chairman, is seated at the right.

Sidelights of the Wichita Meeting

Mrs. John C. Stott, wife of the new president of N. A. I. A., was honored guest at the women's luncheon at the Kansas convention. Eleanor Sage, Webb Woodward agency, Topeka, second vice-president of National Assn. of Insurance Women; Hazel Smith, Topeka, general chairman of the regional meeting of N. A. I. W. scheduled for Topeka in March, and Marjorie Wilson, assistant secretary of Meade Co., Topeka, chairman of the educational and local board committee of the Kansas association, were other out of town guests. Some 100 women were in attendance with Mary Helen Bandel, president of Insurance Women of Wichita presiding.

Among the out of state company officials at the convention were Louis H. Wisner, automobile superintendent of Sun, Chicago, and John C. Dulaney, executive state agent, Oklahoma City; Mark Besack, Morrison, Besack & Beals general agency, Omaha; L. J. Feeney, America Fore, Chicago; Robert C. Folley, manager of Fireman's Fund Indemnity at Chicago; Henry F. Berry, vice-president New Hampshire; John G. McFarland, assistant manager, American, Rockford, Ill.; J. W. Burden and L. E. Grigsby, assistant managers, and K. L. Lilla, superintendent of Hartford Fire, Chicago; M. E. Peterson, vice-president Springfield F. & M., Chicago; Harold F. Kummerow, marine supervisor of Home, St. Louis; Bailey T. Turner, St. Louis service office manager for North America; Wells R. King, regional manager Royal Liverpool, Omaha; George L. Hampton, Jr., assistant manager Phoenix of Hartford, Chicago; George E. Freese, assistant secretary St. Paul F. & M.; C. E. Stiehl, London & Lancashire, Chicago; Cecil McGee, vice-president Kansas City F. & M., and Ben Schulze, superintendent of agencies of Great American at Chicago.

Past President Laurin W. Jones, Dodge City, and Mrs. Jones were unable to attend due to a meeting of the Kansas Assn. of School Boards in Topeka of which Mr. Jones is president.

Miss G. E. Davis represented the Reynolds agency of Kansas City, Past President Sam Reynolds missing his first Kansas convention in many years.

Secretary Wm. J. Elem of Central States Fire, hosts to the stag dinner and entertainment following the golf tournament was in Hartford but got back for the close of the convention. Over 300 were on hand for the stag at which Secretary E. Y. Dukes and a number of his staff represented the company. It was a buffet with plenty of fine food and well served. There was music during the dinner and informal entertainment afterwards.

The annual rural agents breakfast held at 7:30 Thursday morning was the opening program feature. Alex Case, Marion, chairman of the farm committee, presided and nearly 50 early birds attended, including a number of women agents. Walter E. Heaney, assistant manager of Hartford Accident at Kansas City, conducted an interesting and informative discussion on "Farmers Personal Liability" which he urged be sold to round out farmers' protection. Following a complete review of the contract there was a lively discussion period. Hosts for the floor show and dance

which followed the banquet were the Wichita adjustment firms including Western Adjustment, Underwriters Adjusting, Sheffer-Cunningham, Tharp Adjusting, Universal Adjustment & Inspection, Durling-Richards, and Harold Brown Adjustment.

Combination programs and rosters of registered guests at the convention were distributed at the banquet with the compliments of the Kansas City F. & M., which was represented by Cecil McGee, vice-president, and A. H. Lindsey and Gene K. Thomas, state agents. Official convention programs were furnished with registrations through the courtesy of U. S. F. & G.

Charles Schoonover, retiring president, and Mrs. Schoonover were presented with a handsome set of three pieces of matched luggage at the banquet as a tribute to their service.

Carl Gullyk, secretary elect, and Mrs. Gullyk stayed over the weekend and then went on to Hutchinson for the annual meeting of the Kansas Real Estate Boards there. Will S. Thompson, Hutchinson 50-year agent, now retired, was to give the address of welcome as mayor of Hutchinson.

State Director Edwin S. Nellis, Topeka, and Mrs. Nellis had to return to Topeka for an appointment the night following the convention and missed watching their son play football in Wichita that night on the Topeka high team.

Four of the company men at the convention were Kansas field men not too long back. These included George E. Freese, assistant secretary of St. Paul F. & M.; John G. McFarland, assistant manager American, Rockford; C. E. Stiehl, London & Lancashire, and George L. Hampton, Jr., Phoenix of Hartford, both of Chicago. Messrs. Stiehl and Hampton were both most loyal ganders of Kansas Blue Goose when promoted to Chicago.

Past presidents of the Kansas association were honored at a dinner in the Lassen Hotel as guests of the Wichita association, with President Robert E. Israel, Jr., presiding. Special guests included John C. Stott, president N.A.I.A., William W. Hamilton, executive manager of the Illinois association, Frank Sullivan, Kansas commissioner; Robert H. Kuhl, assistant commissioner; Russell Brown, director of the fire division; and R. C. Pyley, director of the casualty division. Officers and executive committee members of the Kansas association were also guests. Past presidents, headed by Fred Gould, Arkansas City, first president, in attendance included C. G. Blakely, Jr., Topeka; Will S. Thompson, Hutchinson; Chas. K. Foote, Wichita; James Gilmore, Independence; Harry Tinklepaugh, Kansas City; Alex Case, Marion; Edwin S. Nellis, Topeka; Victor G. Henry, Wichita; R. L. Budge, St. John; Urban Brown, Emporia; and Webb Woodward, Topeka. Each of the men was called upon for brief remarks, some featuring reports on their grandsons. Mr. Henry reported the recent arrival of his first grandson, the son of Dr. Victor G. Henry, Jr., at Axtell Hospital, Newton, Kan. A steak dinner was served.

Accompanying Executive Manager Alpha H. Kenna was his secretary, Norma Helse, who was attending her first Kansas convention.

their business due to the advance work of Alpha H. Kenna and Mr. Bacon in forming the standing committees early.

Priest Cup to Wichita

The Wichita Board was again awarded the Frank T. Priest cup for outstanding public service during the year. Wichita also won last year. The Ross Case Memorial cup offered annually by Alex Case, Marion, in honor of his late father for outstanding individual accomplishments in the field of fire safety in his community was not awarded this year as the committee did not feel that any of the reports submitted were worthy of the recognition. The cup was won last year by Reuban Miller of Hutchinson. Other winners in previous years have been Laurin Jones, Dodge City; Charles Schoonover, Garden City; and Raymond L. Budge, St. John, all past presidents of the Kansas association.

Henry Made Life Member

Victor G. Henry, Kessler-Henry agency, Wichita, was made an honorary life member of the Kansas association at the annual meeting. The honor was conferred by John C. Stott at the banquet.

Spending practically his entire lifetime in Wichita, Mr. Henry has for years been actively identified with Wichita, Kansas and National association affairs. He served two terms as Kansas president and two terms as Kansas state director. He is a past chairman of the accident prevention committee of the N.A.I.A. and has been a member of several other important committees.

Other honorary life members of the Kansas association have been Ross Case, Marion; Charles G. Blakely, Sr., Topeka; Sam E. Woolard, Wichita, former state agent for Commercial Union, and Clyde B. Smith of Lansing, Mich., former president of N.A.I.A.

Gerard H. DeVries, Kansas City, who recently retired as state agent of New York Underwriters after 50 years in the business, was also given recognition by the Kansas association at the banquet when he was presented with a silver cup by Alpha H. Kenna, executive manager, following a well deserved tribute.

Examiners Forge Ahead

Assn. of Fire Insurance Examiners of Chicago, at its October meeting, admitted nine new members. So far this fall there have been 27 new members. The company managers are getting behind the association in a positive way and the group voted to elect as honorary members all of the managers and E. H. Born, manager of Western Underwriters Assn. R. M. Beatty of Western Adjustment was the speaker. E. H. Forkel, National Fire, president of W.U.A., finds that he will be unable to make the address on managers' night, Nov. 18, as scheduled.

George W. Blossom, Jr., head of Fred S. James & Co., Chicago, who was hospitalized and later confined to his home for a period of about two months, is now able to get to the office part of the time each week and is gradually working into a full schedule. He feels fit but must guard against over-exertion.

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May Be Time for Industry to Back TDB Legislation

NEWARK—Perhaps it is time for the insurance people to change their thinking and come out as an industry in favor of unemployment disability, if such legislation permits the insurance factor to be written by private companies that are adequately prepared to do the job, F. T. Curran, supervisor of the statutory

disability division of the Loyalty group, said at the meeting here of New Jersey A. & H. Assn. and New Jersey Women's A. & H. Assn.

The legislatures of 22 states are going to introduce such bills in 1949, Mr. Curran understands. In Nevada the legislature passed a bill that was vetoed by the governor but this may be passed over the veto. It is anticipated, he said, that this business will mushroom. The insurance business has never favored compulsive buying, he stated.

But with a new philosophy of life and a new approach to social problems, he said he thought that a stable, conserva-

tive industry like insurance should not be in the position of impeding what appears to be the demands of voters. After all, he said, the compulsory disability bills are passed by the elected representatives of the people. Insurance today is pretty much in the position of a quasi-public utility.

In New Jersey, the temporary disability benefits law, effective Jan. 1, will apply to 36,000 employers and 1,600,000 employees. Assuming that companies or the state will secure a premium of approximately \$20 per employee, this means an additional accident and health premium income in one state of some

\$32 million—a conservative estimate. If the law is amended to include the insuring of employees from one up instead of from four up as at present, many more millions of dollars will be produced in New Jersey. In 1920, A. & H. premiums written by all companies totaled \$92 million. In 1947 the figure had grown to \$992 million.

Life People Trained

Life insurance sales staffs are highly trained and organized, he pointed out, which is not true of agents in fire and casualty. Consequently, the only highly trained sales staff in the industry consists of those engaged in the life business. For this reason, he said, the one important practical contribution that a local accident and health association can make to the industry would be to educate those in the A. & H. field who come from the fire and casualty business by establishing a sound, substantial and intensive educational program.

He urged a more thorough understanding of the underlying principles behind the various forms of A. & H. coverage. This will enable all those A. & H. agents to be of better service to the community, to their insured and of more value to their companies.

Tells I.E.A. Mutual Link

THE NATIONAL UNDERWRITER has received an inquiry as to the relationship of I.E.A. Mutual of Springfield, Ill., to Illinois Education Assn. President Carol C. Hall of I.E.A. Mutual states that originally 18 of the 21 directors of I.E.A. Mutual were members of Illinois Education Assn. The other three went to I.E.A. Mutual from a credit union insurer which was merged to form I.E.A. Mutual. However, that number is now less than 18 since Iowa Education Assn. is represented on the board and I.E.A. Mutual is operating in Iowa. Mr. Hall states that the name I.E.A. Mutual was granted by Illinois Education Assn. and that both the Iowa and Illinois associations have invested substantially in the guaranty capital of I.E.A. Mutual.

Executive Secretaries

Under the by-laws of I.E.A. Mutual, the executive secretaries of the Illinois and Iowa teachers associations are always directors of the insurance company. Except for a few automobile policies that are issued to members of credit unions, all policies are held by teachers or by schools, according to Mr. Hall. He states that the credit union people on the board of I.E.A. Mutual are members of the education association in view of the fact that such membership can be obtained by persons interested in education as well as those that are teachers.

Nominators Are Selected

NEW YORK—The nominating committee of Surety Managers Assn. of the City of New York to present a slate of officers for election at the November meeting consists of W. R. Ehrmanntraut, American Surety; James R. Hillas, Fidelity & Casualty, and William J. Thompson, Globe Indemnity.

Form New Georgia Assn.

Middle Georgia A. & H. Assn. was formed last week at Macon with 21 charter members. The new organization will represent central Georgia in the National Assn. of A. & H. Underwriters.

Lee Laney, Mutual Benefit H. & A., president of the Georgia association, spoke. Permanent officers will be elected at the first regular meeting.

In reporting the placing of certain large contract bonds with National Surety at Oklahoma City, Nathaniel P. Gardner, Jr., was erroneously identified as general agent of National Surety. Mr. Gardner is manager of the Oklahoma City service office of that company. This is not a general agency.



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● Your accounts may be juggled



● Your cash may be stolen



● An employee may abscond

N.A.I.C. Group Rejects Industry's Minimum Benefits Report

Some Favorable Sentiment Seen for "Statement of Principles"

By FRANK A. POST

At the conclusion of a two-day hearing in St. Louis, Commissioner Downey of California, as chairman of the minimum benefits subcommittee of the A. & H. committee of National Assn. of Insurance Commissioners, announced that the report of the industry committee which has been considering that subject was unsatisfactory and unacceptable. He said the report did not offer any solution to the problem; that it took the position that "everything's fine now, so let's not change it." That virtually put the whole matter back where it was when Downey introduced it at a hearing at Chicago last April. The issue was not directly thrown back into the lap of the industry committee, but its members were notified that if they had any further recommendations to make it should be done in the next three weeks.

Downey Submits New Bill

Downey still is irrevocably committed to the idea of minimum benefits in point of either money or time or both, by either legislation or departmental action. He submitted a new version of the minimum benefits bill, which he presented last April, and announced that it was to go before the full A. & H. committee. He said the bill had been revised to take care of most of the suggestions and criticisms which had been sent to him by company people at his request, but they didn't seem to like it any better than the original. He again asked for comments on the new version, which also are to be in three weeks. He admitted that in any scheme of that kind it would be necessary to vary the benefits almost from state to state and that the same standards of adequacy could not be applied in Mississippi and in New York or California.

Called Unjustifiable Interference

Mr. Downey's criticisms were regarded as being directed mainly to the report of the minimum benefits subcommittee of the industry committee, headed by J. Eugene Taylor, National Life & Accident. Its general conclusion was: "It is the sense of this committee that the establishment by legislation or by administrative ruling of minimum amounts payable under accident and health policies, either with respect to the amount of the periodic payment or the period for which payments will be made, would be an unjustifiable interference with both the function of management in the conduct of insurance business in America and the right of the insuring public to enjoy freedom of choice in purchasing insurance protection, and is contrary to the principles of free enterprise which are the basis for the economy of this country." Much of the report consisted of reasons for reaching that conclusion.

The report of the main committee was devoted mainly to a review of the subject of regulatory authority and of the way in which the committee handled its assignment, including the delegation of various topics or functions to subcom-

Labor Consultant Tells How to Ward Off Federal Plan

"Trade union leaders are for federal health insurance only because they cannot see any other way of providing their members with benefits," Martin E. Segal, group insurance and pension specialist declared in addressing the annual Blue Cross-Blue Shield conference at French Lick, Ind.

"But," he continued, "they recognize, too, that government standards are usually minimum standards. On the other hand, voluntary group insurance plans negotiated as part of collective bargaining agreements are for the union leader an immediate opportunity to provide better than minimum standards—frequently with the employer paying all or a substantial part of the cost of the program."

Mr. Segal is consultant on labor relations to the Blue Cross commission.

Labeling Is Ineffective

He expressed the belief that the people will not continue to reject a program of federal health insurance simply because many informed persons call such a system "regimentation."

He declared that workmen's compensation insurance, public school education and OASI were all similarly labeled; and the pinning of an unpopular name on proposals for the extension of federal insurance will, in and of itself, find little support in organized labor circles or in large sections of industry.

The determination of the question of whether there will be federal health insurance, according to Mr. Segal, would seem to depend primarily on whether voluntary plans can be inaugurated on such a basis as to provide better coverage for more people at a lower cost.

Bargaining Agreements

"The recent decision of the U. S. circuit court, to the effect that an employer must bargain with his employees on the question of pension programs will undoubtedly give further impetus to provisions for group insurance and pension plans in voluntary collective bargaining agreements. And, regardless of the ultimate decision of the Supreme Court on this matter, these plans will probably continue to grow, both in terms of the number of persons covered and the amount of employer contributions."

Mr. Segal estimated that there are more than 3,300,000 workers covered by group insurance and health plans of one kind or other made part of collective bargaining agreements, and that employer contributions for the support of these plans are now at the rate of more than \$250 million annually.

committees and the reorganization of the committee from the basis on which it was originally set up, to make its membership consist of the four trade associations, H. & A. Underwriters Conference, Bureau of A. & H. Underwriters, Life Insurers Conference and International Federation of Commercial Travelers Insurance Organizations, with the chairmanship rotating. C. C. Fraizer, general counsel of H. & A. Conference, who was chairman at the time of this meeting, submitted that report.

Statement of Principles

The principal product of the industry committee's work was the so-called statement of principles, which seemed to be rather favorably received by the commissioners, although some of them thought it did not go far enough on some points. The tabling of the report as such apparently would not preclude

(CONTINUED ON PAGE 24)

Must Strive for Correct Measure of P. L. Exposure

It is fast becoming more and more important that public liability rating get on a basis that correctly measures the exposure, according to J. O. Honeywell, assistant secretary of New Amsterdam Casualty, who addressed the Insurance Club of Pittsburgh forum Monday. Anomalies which heretofore could be corrected by the underwriter through judgment or equity rating may now be balanced only by a fixed rating plan, he observed. To make this transition without doing too much violence, the state rating authorities have sanctioned a public liability rating plan which at present in Pennsylvania and many other states, is quite flexible but the time must be anticipated when the rating plans may be as inflexible as those for workmen's compensation. The only answer is to have the rating basis as analytically correct as possible.

The speaker mentioned some of the anomalies that exist in public liability rate making. For instance, O.L.&T. on a store is based on area. That is not a true measure of the exposure. The number of persons coming into a store governs that, but stores do not keep such a record. The basis of premium must be practical and easily arrived at, so the underwriter must be content with some less accurate basis.

Differences Are Noted

Sometimes the basis adopted for convenience actually works in inverse ratio. For instance, in product liability where the premium is based on the dollar amount of sales, the higher the price of the product the more premium collected. Yet the hazards insured against operate in the opposite direction.

An impractical approach to the problem of measuring a liability risk often causes more trouble than an unscientific one. A revolutionary change in the premium basis means discarding accumulated experience which, faulty as it may be from a relatively standpoint, does reflect useful overall resultant data.

Mr. Honeywell mentioned the trend in the business that he characterized as "non-medical malpractice." This is an attempt to write insurance on the business or professional errors in certain fields. It is directed toward legal liability for a monetary loss of a client arising out of the business or professional activities of the insured. Here a fine line must be drawn between what is a proper subject for insurance and what is an inherent business risk which should be borne by the insured himself.

Gives Example

For instance, recently Mr. Honeywell said he was asked to extend P.D. coverage to include injury which might be inflicted by an insecticide. It had to be demonstrated that the chemical, when used in large quantities over an entire orchard, would do no harm to the trees. He said the hazards here should not be passed on to an insurer for a liability premium. If the product is successful there is a substantial business profit in the offing. This potential profit should absorb the risk of failure.

That illustrates what was fundamentally wrong in the writing of mortgage guarantee bonds. The insurer received no realtors' profits, but had to stand the realtors' loss if the project failed.

Mr. Honeywell told of his experience in connection with the experiment New Amsterdam has made with lawyers protective liability. He explained all the problems that are involved to indicate that the writing of a special coverage cannot become universal overnight.

Mahon N. Amsterdam President, Owens Heads U. S. Casualty

J. Arthur Nelson Goes to Chairman Post with Affiliated Institutions

J. Arthur Nelson, president of New Amsterdam Casualty for the past 35 years and of United States Casualty



Walter D. Owens



J. Arthur Nelson

since 1940, has now been elected chairman of both companies.

J. Dougherty Mahon was elected successor to Mr. Nelson as president of New Amsterdam and Walter D. Owens was elected his successor as president of U. S. Casualty. Mr. Mahon has been vice-president of New Amsterdam since 1915 and Mr. Owens executive vice-president of U. S. Casualty since 1940.

Mr. Nelson, who has been a prominent figure in the insurance business for more than half a century, will continue actively in the management of both companies.

Great Progress Made

Under Mr. Nelson's management both companies have achieved outstanding success and write casualty and allied lines, automobile and burglary insurance, and fidelity and surety bonds throughout the U. S. and in Hawaii and Puerto Rico. A native of Baltimore Mr. Nelson engaged in several business and philanthropic enterprises there. He was in the fire insurance business about 10 years and then for 10 years was with Fidelity & Deposit as vice-president. He was elected president of New Amsterdam in 1913. The company's total resources at that time were slightly more than \$1 million and its premium income less than that figure. The combined premium income of New Amsterdam and U. S. Casualty, of which Mr. Nelson also became president in 1940, has risen to \$50 million for 1948 and their assets to \$89 million.

Mr. Mahon is a native of Ellicott City, Md. He entered the insurance business in 1902 as secretary to Mr. Nelson at F. & D., was a special agent of the company 1905-1912, and assistant secretary 1912-1914. He held that position when he rejoined Mr. Nelson, as vice-president of New Amsterdam, in 1915. He has held that office ever since and is also a vice-president of U. S. Casualty.

Owens' Early Years in South

Mr. Owens is a native of Jacksonville, Fla., and entered the insurance business in 1922, in the Jacksonville claims department of Aetna Casualty. He was a partner of the Bailey-Owens & Co. local agency at Orlando, Fla., 1925-1928. The next two years he served as assistant southern manager of Southern Surety at Atlanta, and was southern manager

(CONTINUED ON PAGE 32)

Insurance Plays Strong Part in Safety Congress

The safety and prevention functions of the insurance industry were ably presented to the 12,000 who gathered at Chicago last week for the National Safety Congress. Numerous speakers emphasized insurance services and extensive exhibits maintained by Aetna Casualty, Marsh & McLennan and Metropolitan Life were always crowded.

Elected vice-president for homes of the National Safety Council was D. B. Armstrong, second vice-president of Metropolitan Life. Insurance men elected to the board included Fred W. Braun, vice-president and chief engineer of Employers Mutuals of Wausau; Wallace Falvey, president of Massachusetts Bonding; Fred W. Hubbell, president of Equitable Life of Iowa; Julien H. Harvey, manager accident prevention department of Assn. of Casualty & Surety Companies; Frank L. Jones, Equitable Society, New York City; Henry E. North, vice-president Metropolitan Life; Thomas I. Parkinson, president Equitable Society, and Harry M. Pontious,

safety director of the Farm Bureau companies.

W. S. Haines, manager of the Safety & Claims Service, Chicago, told safety engineers that their future depends not only upon doing a good job, but in letting their bosses know about it. Mr. Haines stated at the meat packing, tanning and leather products section that safety engineers have done a good job of selling their work to foremen and employees, but they have neglected the executives of their companies. He advised the engineers to put drama into their regular reports rather than to list statistics and couch reports in technical language. He advocated publicizing through company publications and local newspapers, the achievements of individual safety programs. He said the safety engineer will never achieve the social and financial compensation to which his position entitles him unless he sells himself to his bosses and the public.

Adding weight to the contention of Mr. Haines, in the food section of the Congress, T. M. Martin, president of the Lion Oil Co. of Eldorado, Ark., warned that a safety program can't succeed to its fullest unless it is accepted and supported wholeheartedly by top management. Mr. Martin termed employees the most important asset

which a business has. He said that management would do well to pay more attention to human relations as just plain good business.

Ralph J. Crosby, manager of safety engineering for Marsh & McLennan, told members of the food section that careful investigation of an accident is the only way to prevent its recurrence. If properly used, accident facts will provide the information necessary to find out where future production troubles may be expected, and what should be done in order to avoid them, he said.

John J. Ahern, director of fire protection and engineering at Illinois Institute of Technology, said that arsonists, suicide and deadbeats do their share in causing home gas explosions, but carelessness in the kitchen by the housewife is usually to blame. He stated that delayed ignition and mistaken ignition cause most of home gas explosions.

Ralph M. Kramer, supervising engineer of Employers Mutual of Wausau, Wis., and Alexander Houston of American Mutual Liability, Chicago, participated in panel discussions during the printing and publishing section.

H. R. Danford of the Assn. of Casualty & Surety Companies, described the activities of his association at a meeting of the traffic section. T. N. Boate of the same organization was on a traffic panel.

William H. Rodda, secretary of Transportation Insurance Rating Bureau, stressed the need for organized fire prevention at airports to lower the annual loss of airplanes and hangars by fire. R. D. McDaniel, vice-president of Grain Dealers Mutual Fire, was chairman of the fire prevention section.

Safety films shown during the meeting were "Crimes of Carelessness" by the National Board; "Helping Hands" and "Undercover" both prepared by Zurich, and Liberty Mutual's "Shock- ing Truths."

Sets Up Iowa Department

DES MOINES—Hawkeye Casualty has established a special Iowa department in its home office to service its Iowa agents. Heading the new department is Al McFadden, who has traveled the state for Hawkeye.

Emmet DeVries, formerly in charge of the casualty underwriting department, has been appointed underwriting manager of the new department.

H. J. Pohlman, who has traveled northeastern Iowa for Hawkeye Casualty and Security Fire, has taken over the Wisconsin field representation for Security in addition to his Iowa duties. He will continue to maintain headquarters at Dubuque.

Reserve Life Names Curtin

Reserve Life of Dallas has appointed Patrick Curtin as Houston manager of the franchise and group hospital department. Mr. Curtin was formerly a personal producer at Houston for Great American Reserve. Besides being a life insurance man Mr. Curtin holds a commercial transport pilot's license, is an author of feature articles, a mural artist and a rodeo rider. He majored in political science in college.

Discuss Crime Trends

NEW YORK—Surety Claim Men's Forum at its October meeting discussed crime trends as they affect property losses with W. M. Whelan, assistant special agent in charge of the Department of Justice, FBI; Harry Strang, agent of the U. S. Secret Service, and S. A. MacLennan of the post office inspector's office. The next meeting will be Nov. 4.

Named Accident Head

Wm. S. McConnell has been made resident superintendent of the accident department of the Phoenix-London group covering several states in the middle west. He was in the A. & H. department of Continental Casualty except for a period of war service.

Companion Groups' Leaders Dedicate New Home Office

Dedication of the new home office building and the annual Builders' Club convention drew 400 top producers of Mutual Benefit H. & A. and United Benefit Life to Omaha. Speaker at the business session was Mrs. Adele Levy of New Orleans, who led the entire field force of 15,000 in the eight month sales drive which preceded the convention. Carlyle Emery, vice-president of the Ruthrauff & Ryan advertising agency of Chicago, told the salesmen



This is the new home office building just completed for Mutual Benefit H. & A. and United Benefit Life at Omaha.

how to make use of the national advertising. John B. Kennedy, radio commentator, described operations of the United Nations. Other speakers were A. R. Jaqua, director of the Southern Methodist marketing course; O. J. Breidenbaugh, executive secretary of the National Assn. of Accident & Health Underwriters, and J. V. Breitwieser, University of North Dakota.

At a banquet attended by more than 1,000, Director Stone of Nebraska, Mr. Kennedy and Dr. C. C. Criss, president of the companies, spoke. V. J. Skutt, vice-president, served as toastmaster.

Territorial Parley Details Perfected

The 1948-49 schedule of territorial conferences of N.A.I.A. has been completed. This series will replace the mid-year national convention, but the board of state directors will hold a mid-year meeting in conjunction with the far west territorial conference, April 7-9 at San Francisco. Scheduled meetings follow:

Eastern—Lord Baltimore Hotel, Baltimore, March 14-15; Morton V. V. White, Allentown, Pa., conference chairman; and William H. Wiley, Hartford, secretary. States participating: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and West Virginia.

Midwest—French Lick Springs Hotel, French Lick, Ind. March 23-24; H. Herbert Corson, Nashville, chairman; Herman C. Wolff, Indianapolis, vice-chairman; and Harry E. McClain, Indianapolis, director convention activities. States participating: Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee and Wisconsin.

Southern—Sheraton-Bon Air Hotel, Augusta, March 25-26; John M. Mumford, Miami, chairman; William F. Law, Augusta, general chairman and Clant M. Seay, Jackson, Miss., conference secretary. States participating: Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Virginia.

Rocky Mountain—Broadmoor Hotel, Colorado Springs, April 1-2; Ralph E. Austin, La Junta, Colo., chairman. States participating: Colorado, New Mexico, Wyoming.

Far West—(Also, mid year meeting, board of state directors), Fairmont Hotel, San Francisco, April 7-9; Kenneth L. Nehring, Tucson, Ariz., chairman; and E. E. Hayden, Oakland, conference secretary. States participating: Arizona, California, Idaho, Montana, Nevada, Oregon, Utah, and Washington.

Ohio Fire Underwriters Assn. will hold its next meeting at Columbus Nov. 9.



Co-Ordination Makes A Winner

A champion bowler is the picture of co-ordination from the time he or she steps to the line until the ball is racing down the alley for a strike. **HAWKEYE - SECURITY** and their Agents are a smoothly functioning team . . . all working to build Agents' sales and increase their premium income. Every department of the **HAWKEYE-SECURITY** companies is co-ordinated to aid Agents . . . to work for them and the "team."

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

DES MOINES 7, IOWA

Bill Mooney, Former Casualty Leader, Dies at 74

William L. Mooney, vice-president of Aetna Casualty for 14 years until his retirement in 1937, died at his home at West Hartford, following a long illness. His age was 74.

Since his retirement, Mr. Mooney had been active in social welfare work. After the New England hurricane of 1938, he served on the Connecticut rehabilitation commission and later on the



WILLIAM L. MOONEY

commission for State Hospital & Training School for the Feeble-minded at Southbury. From 1940 he served on the West Hartford advisory committee of Family Service Society. He was a director of the society from 1942 to 1947.

At the time of his retirement, he was head of the casualty and surety agency department. During his entire 30 years with Aetna Mr. Mooney was engaged in business production and field management. He was one of the best known and most highly regarded casualty and surety executives. It was said that he knew personally more Aetna agents than any other man.

When Mr. Mooney joined the company, the total casualty business written by Aetna amounted to less than \$5 million. When he retired, the volume was near \$50 million. Aetna officials give credit for this increase to Mr. Mooney's ability as a sales organizer and leader.

He joined Aetna as an agency department supervisor in 1907 and was made agency secretary in 1919. In 1923 he was made vice-president of Aetna Casualty and of the accident and liability department of Aetna Life. In 1930, he was advanced to a full vice-president of Aetna Life as well.

He was born at Jersey City. His first insurance connection was with Union Casualty of St. Louis, which he represented during 1902 and 1903 as general agent in Pennsylvania. From 1903 to 1907 he served as assistant agency manager of Philadelphia Casualty, specializing in the production of A. & H.

Mr. Mooney was a fellow of Casualty Actuarial Society and served on the casualty and surety acquisition cost conference. In 1934 he was a member of the committee on national legislation of Hartford Chamber of Commerce. In 1932 and 1933, he served as a director of Connecticut Chamber of Commerce. In 1933 and 1934, he was a member of the insurance department committee of U. S. Chamber of Commerce.

Inland Mutual Hits Million

The assets of Inland Mutual of Huntington, W. Va., have now passed the \$1 million mark in its 12th year of successful operation. The company is now operating in West Virginia, Ohio,

Indiana, Michigan and Maryland and specializes in financial responsibility coverage as well as insuring local and long distance trucks. L. A. Polk is secretary and general manager.

Design New Policies to Avoid Lapses in Cover

PHILADELPHIA—The insurance producer must be a professional counselor as well as a salesman, J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, declared here in an address before the Mid Atlantic C.P.C.U. chapter. C.P.C.U.'s he said, can contribute greatly to better understanding between companies, producers and the public.

"One of the worst headaches companies, adjusters and producers ever have," Mr. Dorsett said, "is the policyholder whose loss is not covered by his policy. Of course we know that sometimes it is the policyholder's fault, for refusing an extra endorsement when it is offered or for not reading his policy carefully. Sometimes it is something the producer overlooked. But no matter whose the blame, a disappointed claimant is exceedingly bad public relations."

Insurance has made a continuous ef-

fort to standardize and streamline policy forms, he said, particularly in an effort to develop package policies which are more inclusive and comprehensive.

Since December, 1947, eight improved policy forms have been put into effect in automobile liability and burglary lines as well as three general liability forms, including the new farmer's comprehensive personal and the storekeeper's liability forms. These revisions were made primarily so that the insured may get broad protection under one contract where previously extra endorsements or separate policies were required, Mr. Dorsett declared.

Public Education

Pointing out that insurers are earning good public opinion by achievements, he said the industry must also retain that good opinion through public education.

Declaring also that the public does not know of or understand the underwriting losses in certain casualty lines during the past few years, Mr. Dorsett said it has become necessary that the general public be taught the broad principles upon which the insurance industry operates.

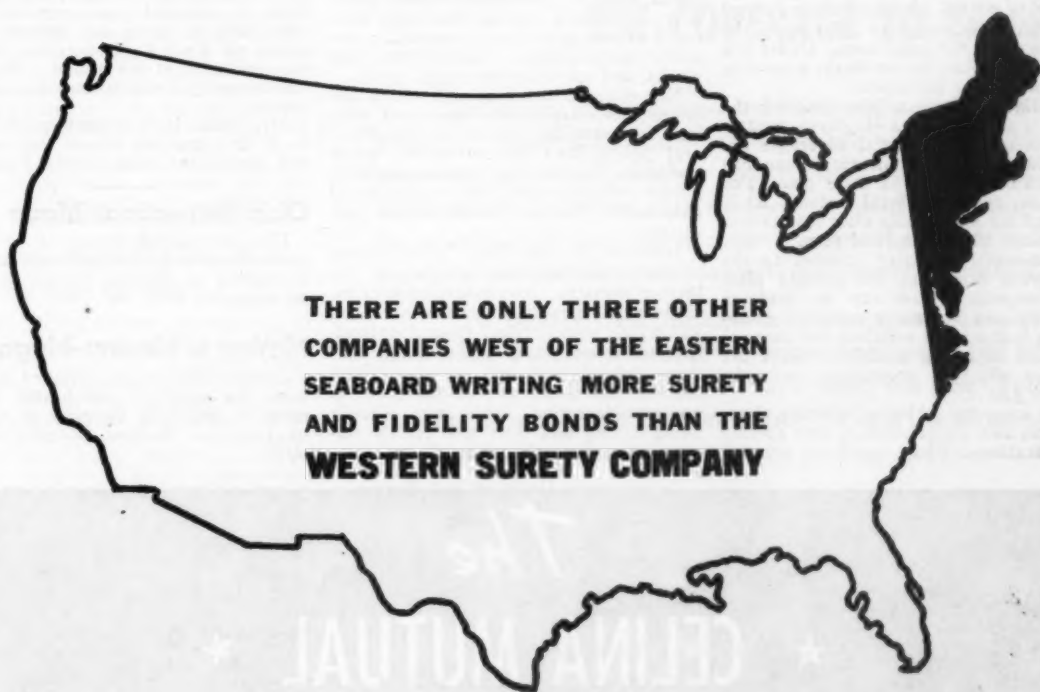
Herman D. Wolff of Easton, Pa., was toastmaster.

Products Field Is Taking on New Stature

To a greater and greater extent products liability is becoming standard equipment for assured and it occupies a much more important niche in the insurance scheme of things than it did just a few years ago. In days gone by, products liability was considered to be largely a specialty coverage for food and beverage risks. The companies undertook to get the agents to solicit risks of other types, but for some time, without much success. Now products liability is extensively purchased by a wide range of industrial classifications and a strange circumstance seems to be that the troublesome claims are not those arising from food and beverage risks, but rather from odd occurrences involving types of business that were ordinarily thought to be pretty free from products exposure.

Some of the losses are those that are on the borderline between an "occurrence" and an "accident," or that are definitely an "occurrence" and not an

(CONTINUED ON PAGE 24)



WESTERN SURETY COMPANY

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Kansas City 6, Mo.

Sioux Falls
South Dakota

Assn. will
Columbus

Continental Devises First TDB Plan for Small Firms

Cost 60% Less to Employer; Employee Benefits Higher

Continental Casualty becomes the first company to have approved by New Jersey a plan to cover employers with between four and 25 employees who are subject to the temporary disability benefits law. The company estimates the market for this plan at 32,000 small employers, comprising 80% of the employers in the state.

Acting swiftly the company has taken advantage of a cessation in the writing of groups of more than 25 employees occasioned by the New York department challenge of many quotations as discriminatory.

Continental Casualty has already called a meeting of New Jersey agents to explain its plan for small employers and rushed out explanatory literature.

In presentation of its plans to the small employer, the company stresses that its plan saves the employer 60% of the 1% of payroll compulsory tax which the employer must pay if he insures with the state fund. Under the Continental plan, the employer pays only 1/10 of 1% for the cover.

Continental stresses also that for the same 1/10 of 1% cost to employees, greater benefits and more liberal coverages are available through Continental than can be obtained under the state plan. For example, 50% additional benefits while hospitalized are payable after the seventh day under the Continental plan.

Continental Casualty stresses to the employers that with this private plan, the compulsory law can be made a valuable and voluntary asset in establishing better labor relations and stresses the need of acting quickly to place the plan in effect in accordance with the law by Jan. 1.

The company is being selective about its risks and limits them to two specific classifications.

In TDB Vanguard



William F. Dittig, director of the division of temporary disability insurance of the New Jersey unemployment compensation commission, signs provisional approval of the first private insurance plan for employers with less than 25 employees submitted by an employer in New Jersey. On the left is Alvah F. Harrison, president of Harrison Press, Inc., of Trenton, the employer, and at the right is William E. Racine, home office group sales manager for Continental Casualty, which wrote the coverage. Charles F. Andrews & Associates were designated brokers.

The company gives its most liberal coverage to employees of businesses falling within classification "AAA." The manufacturing enterprises groups in this class are lumber and wooden products; furniture and fixtures; paper and allied products; printing and publishing; chemical; petroleum and coal products; rubber, stone, glass and ceramics, primary metal products; fabricated metal products; machinery, except electrical; electrical driven machines; automobile; aircraft; shipbuilding; instruments and clocks, and miscellaneous small goods.

Non-manufacturing groups which fall under this classification are metal mining; non-metallic extraction; contractors; public land transportation; other transportation services; communications; public utilities, wholesale trade; retail automotive; finance, insurance and real estate.

Included in the "AA" classification among manufacturing groups is the leather industry. Non-manufacturers include retail general merchandise; food and liquor stores; retail apparel; miscellaneous retail trade; retail filling stations; professional and social services. Also in this group are certain other in non-manufacturing fields not already listed having less than 50% female employees.

(CONTINUED ON PAGE 26)

Rumor Big Kemper Real Estate Deal

According to rumors that seem to have foundation, James S. Kemper, chairman of Lumbermen's Mutual Casualty, and head of the numerous Kemper insurance enterprises, is negotiating for the purchase of the 40-story Chicago Civic Opera building. The price mentioned is \$14 million. The main Kemper headquarters have been at 4750 Sheridan road. Before the war the Kemper organization bought the southeast corner of Michigan and Chicago avenue with the idea of putting up a home office building there but these plans were abandoned. In the opera building the Kemper organization would occupy a commanding downtown location. That structure was a Samuel Insull enterprise. For the past several years the building has been owned by General Finance Corp.

Auto Rates Discussed

Phil Snodgrass, secretary of General Casualty, Madison, Wis., discussed "Factors in Accident and Liability Insurance Rates," before Kiwanis Club of Jefferson, Wis. He said the comparatively high accident rate in Wisconsin has resulted in higher auto insurance rates, compared to some neighboring states.

Opens Greensboro Unit

Fidelity & Deposit has opened an office at Greensboro, N. C., with Charles M. Hart, Jr., as manager, and Roy E. Julie, Jr., special representative. The office will be under the general supervision of Fred C. Robertson, resident vice-president at Richmond. Mr. Hart was formerly assistant manager at Richmond.

Mr. Julie is a recent graduate of F. & D.'s training school and recently had served as special agent Newark.

Ohio Inspections Made

Fire Prevention Assn. of Ohio recently inspected the buildings at Ohio University at Athens. Steubenville will be inspected Nov. 19.

McVay to Meeker-Magner

Donald McVay has resigned his post with the accident and health department of Maryland Casualty at Chicago to join the Meeker, Magner agency there.

Legislative Trends Create Need for Public Relations Plan

Write Your Reports for Jury Audience, Dineen Advises Claim Men

NEW YORK—There is a great need for an improved public attitude toward the casualty insurance business, William Doyle, vice-president of Liberty Mutual, told more than 300 members of New York Claim Assn. at their business meeting and dinner here. In this Superintendent Dineen of New York concurred and drew on his experience as a claims attorney for more than 15 years for some suggestions on how to effect the improvement.

John P. Kenneally, claims manager for New Amsterdam and U. S. Casualty here, president of the association, acted as toastmaster and received the names of the following men from the nominating committee for election at the annual dinner Jan. 19, 1949: President, S. Chandler Fraser, Lumbermen's Mutual Casualty; vice-presidents, Michael R. Concialdi, Century Indemnity, and Edward N. McNamara, Security Mutual; treasurer, W. J. Maxwell, Socony-Vacuum Oil; secretary, Louis E. Vogel, Bankers Indemnity.

Suggests Industrywide Council

Mr. Doyle suggested the creation of an industrywide council to guide the companies in relations with the public and the operation of an active public relations program to benefit all companies. Nationalization, or state intervention in the business is a possibility that is breathing hot on the neck of the business and unless something is done the business cannot expect to remain independent very long, he stated.

Citing some figures to prove the value of the industry to the country, he reported that in 1947 a total of \$1 billion 475 million was paid out by the casualty companies in claims, and another \$271 million in taxes. The companies invested \$10 million last year in accident prevention, thereby reducing the cost of insurance and making savings in life and limb that can never be calculated. The rehabilitation of workers is also a great function of the business, he added.

He referred to a recent survey which showed that one of every six claimants express dissatisfaction with the way he is treated. The public doesn't seem to understand that the benefits payable under compensation policies are fixed by law and not by the companies, he commented, urging the claims men to do all they could in handling their claims to tell the true story. He pointed out that there are now 18 state compensation funds, seven of which are exclusive, and 11 competitive, and then dwelled upon the development of cash sickness legislation in Rhode Island, California and New Jersey, as well as the Crosser act passed two years ago extending federal railway insurance fund benefits and eliminating private companies.

He briefly reviewed the last legislative sessions in Massachusetts and New York and said that bills were continually introduced urging the creation of state funds to handle not only compensation but automobile, and many forms of A. & H. coverage. He predicted that in 1949 similar bills could be expected in practically every one of the 44 state legislatures that will be in session. He said that all branches of the industry had lost standing in the public mind because of the controversies resulting after the Southeastern Underwriters Assn. decision and that the duty of everyone in the business is to sell the public on the values of private insurance.

Mr. Dineen advised the claims men to be more careful in preparing their

(CONTINUED ON PAGE 26)

The

★ CELINA MUTUAL ★

CASUALTY COMPANY

Celina, Ohio

Strictly an Agency Company

FOR **ACTION** THAT BRINGS **SATISFACTION**

A Progressive Company
for Aggressive Agents

COMPLETE AUTOMOBILE
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AFFILIATED
WITH
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NATIONAL MUTUAL
INSURANCE COMPANY
Celina, Ohio
Fire, Inland Marine
Allied Lines

Selling Tools for any
Selling Task

GENERAL LIABILITY
GLASS
BURGLARY AND ROBBERY

New Group Men Come of Age, Reduce the Ranks of Chronic Drifters in Field

The rate of turnover among company group representatives has assumed such serious proportions that the companies are now taking steps to curb it. The rapid changes which have occurred in the group insurance field, the increased popularity and number of coverages, and the entrance of numerous new companies into the business have naturally contributed a strong share to the high turnover rate. The experienced group man has been at a premium. There always seems to be another company which will offer more money and a higher position.

The highly competitive nature of the business puts a premium on the man who has worked with the opposition and has a picture, not only of the strength of his former company, but of chinks in its armor. Every company has got its competitive advantages and disadvantages. Few of the companies seem to be shy about proselyting group men.

The companies also lose a substantial number of men each year to the personal production field. They have seen how lucrative group business can be to agents and brokers and they reason that with their superior technical knowledge and their contacts they can make many more times in commissions what they make on the salary and incentives in their present job. Some of these men have cast off into the production field and been eminently successful. On the other hand, there are quite a few others who have found that personal production is a difficult and demanding job and they have eventually gone back to the salary and security of their company positions.

Group Drifter Is Common

Unfortunately, a rather common phenomenon is the drifting type of group man who moves on to a new company automatically every year or two whether he gains real advantage by the move or not. Group executives are growing increasingly wary of the man who has a record of many company connections for relatively short periods of time. To these men, the grass is always greener with competitors and they hate to get tied down to any one company or to any one territory. One group executive drew the analogy between this common type of group floater and the itinerant printer of the old days who would move about regularly from city to city and job to job. The analogy is further completed because, like the old time printer, the experienced group man is in such great demand. Of course every group man who makes a shift does not fall into this category. No man can be blamed for grasping a good opportunity.

Needless to say, this migration of group representatives has created considerable havoc in an industry which is over-burdened with work as it is. A great investment is made in each group man to train him in a particular company's methods. This is so, even in the case of an experienced group man working in his home territory.

Now, the companies seem to be whittling down the turnover among their home office representatives. Time has operated for them and a crop of new group men of fair experience has sprung up since the war. Several companies have preferred hiring inexperienced men and training them their own way. The companies have taken special pains to instill loyalty in these young men. In many cases, these men are trained for perhaps a year's time at the home office and thoroughly inculcated with the practices and the traditions of their company. Then they are sent out to group field offices around the country imbued with a perspective and loyalty that an employee who spends his entire career in a field office often does not have.

In combating turnover, many of the

companies have revised upward the salary and incentive scales of their group personnel all the way up the line. After his initial training in the home office or in a sizable branch, the group neophyte is ready to become a service representative in the field. This is his first introduction to the public and to insurance producers. Here he applies the underwriting knowledge he has acquired in his preliminary training and gradually picks up the feel of competition.

After this field service training, the new man is not likely to forget that there is more to the group business than sales and that service to employers and employees alike is an important element. If he shows an aptitude and an inclination to become a group sales representative, he crosses over into that activity, gradually at first and with the aid of an experienced teacher. He couples his knowledge with sales psychology and learns how to make an impressive presentation to the employer after the producer has opened the door.

Follow Various Paths

By no means do all of these group trainees go onto the group sales force. Those who show a liking and an aptitude for service work stay in service and may become territorial service managers or go on to home office posts. Likewise, a route of advancement is open on the group sales side and the companies move their young career men to supervisory and managerial positions.

It has been slow work for those companies which prefer hiring inexperienced men for their group departments over experienced men who have a reputation as floaters. But the companies that have done this, feel that by now the results are superior. As the staffs of the companies fill out with new men who have a feel of one company, oldtimers who have been so much in demand that they can indulge in constant jumping from one company to another are finding it time to settle down if they can.

Schedule Hearing on W.C. Cost by Size of Risk

NEW YORK—The subcommittee of the workmen's compensation committee of National Assn. of Insurance Commissioners on cost by size of risk will start a five-day hearing beginning Nov. 4 at the New York City offices of the New York department. Accountants of the New York department have been at work since March making field studies with Great American Indemnity, Fidelity & Casualty, Liberty Mutual and Merchants Mutual of Buffalo and these findings have been turned over to Arthur L. Bailey, chief casualty actuary of the New York department, who is an adviser to the committee. The committee will consider Mr. Bailey's review of the accountants' findings.

The first two days will be spent at the New York department and then Nov. 8-10 the subcommittee will meet with a special industry committee on this subject at the headquarters of National Council on Compensation, Insurance.

George Elliott of Pennsylvania is chairman of the committee, but on Nov. 1 he becomes head of the workmen's compensation rating board of Pennsylvania, and the committee will elect a new chairman at its meeting in New York. Other members are Paul Benbrook, Texas; Lloyd Yaudes, Wisconsin; J. H. Maloney, California; George Peery, Virginia; and Joseph Collins, New York.

Casualty Actuaries Dinner

The annual dinner of the Casualty Actuarial Society will take place at Hotel Biltmore, New York City, Nov. 18. The annual meeting follows the next day.



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Crowded Aisles, mean
Extra Hazards for Storekeepers*

NOW IS THE TIME TO SELL STOREKEEPER'S LIABILITY— AND OUR NEW FORM IS THE COVERAGE TO SELL!

THIS is the season of crowded stores and crowded sidewalks . . . when sales and stock clerks are working under pressure . . . when part-time novice clerks are employed. Under these conditions, even the most thoughtful and careful storekeeper is not able to maintain normal control, and the chances of accidents and lawsuits are greatly multiplied.

To protect their business investment, storekeepers need wider liability insurance coverage than ever—but at a price they can afford to pay. That's where the new Ohio Casualty Storekeeper's Liability policy fits into the picture. It offers five broad coverages in one package policy—at a reduced over-all premium.

Premises, Products, Contractual, Protective exposures and Medical Payments coverage are provided. Property Damage and Bodily Injury coverages are included.

Alert, responsible agents, interested in selling the newest and broadest coverages, will recognize the big opportunity to open new accounts among small and medium-size retailers with this new contract.



An effective sales-aid in the form of an attractive color folder describing the policy is available to help make selling as simple and easy as possible.

THE OHIO CASUALTY INSURANCE COMPANY

Fast, friendly, coast-to-coast claim service

HOME OFFICE • HAMILTON, OHIO

N.A.I.C. Group Reports on Benefits

(CONTINUED FROM PAGE 19)

the approval of the statement by the commissioners' committee. No indication was given as to the action to be taken on it other than the fact that a supplemental report is to be made by the implementation committee, which was concerned primarily with the way in which the principles in the statement were to be made effective if approved.

The statement, which was presented at the initial session by Paul H. Rogers, Aetna Life, chairman of the drafting committee, was described as a possible standard to be followed in the administration of present laws containing broad standards which are difficult of application in particular cases, and a possible aid in more effective administration of those laws. It was emphasized it is intended to be flexible and easy to change if changes are found to be necessary. The general idea was that the statement if approved, would be promulgated by the commissioners in much the same way as the Official Guide. Inasmuch as there will have to be changes in the Guide if the revised standard provisions law is adopted, one suggestion was that the statement be made a supplement to the Guide.

OK Enabling Legislation

In that connection the point was made that in some states there is no law authorizing the insurance department to set up rules and regulations and the question was asked whether the companies would approve legislation giving such power. The members of the industry committee present went into a huddle during the noon recess and reported back that it would be O.K. under proper standards. John Panchuk, Federal Life & Casualty, chairman implementation committee, was authorized to make formal report of the industry's position on that matter.

Another point taken up by the industry committee at that time was a suggestion by Commissioner Pearson of Indiana for a permanent industry committee to which new policies could be submitted for screening by companies that so desired, prior to filing with the departments for approval. Chairman Fraizer reported that the idea was quite favorably received and would be pursued further. It also seemed to meet with approval from the commissioners, who felt that it would save them a lot of work.

The company men feel that some progress was made, through the clarification of the position of the industry in the statement of principles and the possibility that it may form the basis, later on if not at the present time, for co-operative action.

Most of the discussion concerned the statement of principles and particularly the section headed: "Scope of Coverage to Be Substantial," which endeavored to cover most of the points on which criticisms had been raised by the com-

missioners, but with which they were not entirely satisfied and each sought to have his own point more specifically covered. It reads:

"No accident or sickness insurance contract should be issued unless it provides protection against substantial hazards. Policies which insure only against exposures of rare occurrence are seldom justified. Policies which insure against accidents and sickness generally, and which are not clearly limited to certain types of accident or diseases, should not contain any definitions, restrictions or exclusions which take out of the coverage, or reduce benefits for hazards which custom and experience have determined to be normal insurable risks. Limited policies insuring only against accidents and diseases of a certain type or types should give a broad coverage within the field which they cover."

The statement urges keeping down the number of policy forms written; clear, direct and unambiguous policy language; insuring agreements when read with exclusions and conditions should constitute an express promise to pay within the limits of the insurer's intended undertaking; policy exclusions should be given sufficient prominence to secure their recognition; name used for policy should not be such as to give misleading impression of coverage; policies sold by mail should be governed by the same principles applying to other types of policies.

Much Attention to Advertising

It lists exclusions which are regarded as legitimate in accident policies, including a number of specialty types, and also in sickness policies, but states that there should be no general exclusion such as "chronic disease" or "organic disease." Other topics taken up include elective provisions, multiple indemnities, qualifying periods and waiting periods, disability and confinement clauses. A particularly large part is given over to the preparation of advertising and solicitation material, including 16 principles which should be followed in that connection.

In connection with the industry's objection to minimum benefits legislation, Parkinson of Illinois asked where the line is to be drawn. He said that companies want a new standard provisions law, which he said is mainly in their interest, but balk at provisions which he said would be in the policyholders' interest. Some of those present said they would rather not have a standard provisions law, but so long as there is one on the books and likely to stay there, they want it modernized.

Stone of Nebraska wanted in some way to get at the policies that provide absurdly large benefits for improbable occurrences and suggested a top limit of 200 or 300% of the normal benefit. Jackson of Missouri opposed any provision for decreasing benefits. He was asked about total and partial accident

disability and the provision of half benefit additional for hospital. On the accident disability, he said he would make partial disability the basic benefit, and provide that total should be double that.

The commissioners in attendance were Downey, Parkinson, Stone, Jackson and Pearson. Deputies Martineau and Typermass and Samuel Feigenbaum, who has taken over the work formerly handled by Victor Cohen, represented the New York department. Messrs. Thomas of California, Ross of Illinois and Roach of Missouri were on hand to back up their chiefs.

Products Field Has New Stature

(CONTINUED FROM PAGE 21)

"accident." Although the companies have been pretty free to write the business on an occurrence basis for 1% additional premium so far as the B.I. is concerned, they are getting more and more reluctant to do so. They have always shied away from providing P.D. liability on an occurrence basis. However, there are some underwriters who advocate changing the basis of the insurance across the board to "occurrence" and jacking up the rates to take care of this increased liability. They feel that the loss from an "occurrence" is just as severe to an assured as one from "accident" and the rate structure should be revised to provide this necessary protection.

Bad Clothing Loss

One of the safest type of risks theoretically would be a clothing manufacturer and yet one of the worst products losses ever was that involving a manufacturer who put out cowboy suits for youngsters. Shortly after these had been distributed, it was discovered that the material was highly flammable, but before they could be called in, several youngsters had been burned to death and others maimed.

The varied use of new chemicals is creating the possibility of hazards springing up over night that were previously undreamed of.

An example of a loss that is on the borderline between "occurrence" and "accident" is that of a manufacturer of a dip for livestock. This had been used without incident for some time but then a considerable number of cattle on a large ranch died after having been treated with this substance.

Other "occurrences" include loss of livestock due to drinking from streams that are polluted by certain types of manufacture.

Plan Cal. "Comp" Change

The California department is conducting hearings until Nov. 3 on proposed changes of risk classification and rates for workmen's compensation proposed by the California Inspection Rating Bureau.

The rating bureau proposals would result in an overall rate reduction of 2.4%, and include creation of 27 new classifications while 17 classes would be eliminated.

At the Los Angeles hearing, R. G. O'Brien, counsel, P. T. Moorehead, assistant superintendent, and Miles Drobisch, statistician, represented the bureau and J. R. Maloney was on hand for the department.

It is expected that Commissioner Downey will act on the proposals after Nov. 5.

Plan Pittsburgh Congress

Earl Putnam, president of Canada H. & A., and James F. Malone, Jr., Pennsylvania commissioner, will be dinner speakers at the sales congress of Pittsburgh Assn. of A. & H. Underwriters Nov. 15 at the Sheraton hotel.

The sales congress will be conducted in the afternoon and a big audience, including A. & H. men from Cleveland and Youngstown, is expected.

Stephenson Tells of Aviation Problems

Some of the present day problems in aviation underwriting were taken up by E. L. Stephenson, manager of Associated Aviation, in his talk before the October meeting of Casualty Underwriters Assn. of Chicago.

Mr. Stephenson said that the aviation market today is comprised of Associated, U. S. Aviation, the North America companies, Royal-Liverpool group, the Kemper companies, Liberty Mutual, and Loyds. Last year eight markets either discontinued or drastically reduced their writings on aviation.

The big need in the aviation line today, Mr. Stephenson remarked, is for insurance men. He said that technical knowledge of aircraft is but a small percentage of underwriting. There is a scarcity of men who know insurance fundamentals.

Manufacturers of small planes for personal use are having tough going this year, he said. He predicted that sales of personal planes would be about 8,000 in 1948 compared with about 16,000 the previous year and 32,000 the year before that.

Describes Underwriting Policies

One of the best underwriting risks is the industrial aid twin-engine plane. These ships cost about \$65,000 new and insurance is sold at a low rate. Planes of this type are used by large manufacturing concerns and they hire good pilots and take good care of the aircraft.

More four-place single engine planes are being sold to small businesses. Their cost is \$5,000 to \$14,000 and as a rule they are favored by the underwriters.

Mr. Stephenson pointed out that the close scrutiny on underwriting comes on the planes in the \$8,000 to \$15,000 class bought for personal use. In these cases the pilot is underwritten carefully. It is important to know how many flying hours the pilot has had and whether he is buying the plane purely for pleasure or whether he expects to have some business use of it.

Inferiority Complex a Hazard

Much of the poorer flying today is being done by people with inferiority complexes, he said. Many persons fly an airplane and "buzz" their friends' homes to overcome a complex.

Mr. Stephenson said that many small airports are not worth insuring at all. Some of them are so bad that it is dangerous to insure any plane that hangsars there. If the operator is inefficient and careless, the customer usually is the same, or if the customer is careful his plane is inadequately protected.

Many small airport operators do not realize that they are in business, he declared. They allow their equipment to be exposed to unnecessary hazards, have poor fire protection, and leave many planes unhangared.

Robert M. Hallenbeck, Bartholomay-Clarkson agency, president of the group, introduced Mr. Stephenson.

D. C. McCarthy on Own

David C. McCarthy has opened a law office in the First National Bank building, Peoria, Ill., specializing in insurance work. He was formerly in the legal department of Great Central Ins. Co. at Peoria, serving as underwriter, claim manager and more recently being in the legal department.

Hold Sales Meet in So. Illinois

Employers Mutual Liability held a sales conference this month at Springfield, Ill., at which talks were given by M. B. Goff, Chicago manager; Lloyd Brown of the burglary division at the home office and Allan Newman, home office fidelity division. Approximately 20 representatives from Springfield, Decatur, Moline, Peoria and Alton attended.

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PERSONALS

Walter H. Kincannon, superintendent of the automobile department at the home office of U. S. F. & G., is on a Pacific Coast trip.

Donald Marquis, agency vice-president of Bankers Life & Casualty of Chicago, is critically ill at Henrotin hospital there. He has been confined for some time and his health has been impaired for about two years.

Walter F. Schmitz, accident and sickness supervisor of Occidental Life, was married to Miss Rena Stokes at the home of the groom's parents at Oakland. The bride has been with Occidental's accident and sickness underwriting department for a number of years.

DEATHS

J. Kemp Bartlett, Jr., who was one of the founders of U.S.F.&G. in 1896, died at his estate in Talbot county, Md., at the age of 85.

Mr. Bartlett had continued in active service with U.S.F.&G. until 1943. When he retired he was vice-president and general counsel and was also senior partner of the law firm of Bartlett, Poe & Claggett. He was born at Leavenworth, Kan., and was brought up on his grandfather's farm in Maryland. In his early days he was commissioner of deeds of Maryland and owner of the Shriver-Bartlett Co. When U.S.F.&G. was organized by John R. Bland, Mr. Bartlett was elected as a director and second vice-president. When Mr. Bland became president in 1897, Mr. Bartlett succeeded him as first vice-president. After 1911 his title until retirement was vice-president and general counsel.

James McNabb, president of Colonial Ins. Co. died Monday at Los Angeles as a result of an auto accident.

Mr. McNabb was born at Knoxville in 1908. He and his twin brother, John McNabb had been closely associated. They organized Colonial Mutual Compensation in 1934 which was converted to a stock company in 1942. James McNabb at one time was special agent for Eureka Security through the I. M. Fisher Co.

Mr. McNabb was killed when his car went over a 40-foot embankment into the ravine at Sunset boulevard and Riviera Ravine road. His wife, Helen, and a friend, Mrs. Rosemary Noll, were in the car and were injured, but not seriously.

Mr. McNabb had recently returned from a cruise of several months in his yacht along the east coast, through the Caribbean, Panama Canal and the west coast of Mexico.

Joseph P. Donahue, 47, manager of the greater New York department of National Surety, died at his home at Valley Stream, L. I., as a result of heart disease. He joined the company in 1922 and three years later was made assistant manager of the blanket bond department. He was away from the company a time but returned in 1929 as manager of the fidelity department of the New York brokers' branch. In 1941 he was made head of the fidelity department at the home office and in 1945 took the post he occupied at his death.

O. D. Harlan Is Speaker

O. D. Harlan, president of Texas Assn. of A. & H. Underwriters, spoke at San Antonio on what may be expected within the next few years. He reviewed the points made by speakers at the Minneapolis convention, stressing the need for alertness to moves for legislation which are inimical to A. & H. insurance as now sold and to the attitude of local legislators.

Sterling Enters Florida

Sterling of Chicago has entered Florida for life and disability insurance. Sterling is now licensed in 17 states.

SURETY

Atomic Base Contract Let

Atomic energy commission has awarded the contract to Trepte Construction Co., San Diego, at its bid of \$1,810,665, for construction work at the Salton sea base in Imperial county. Massachusetts Bonding will execute the payment and performance bond.

Bankers Hear Phillips

Robert F. Phillips, assistant manager at Milwaukee of U. S. F. & G., spoke at a dinner-meeting of Milwaukee Conference of Bank Auditors and Comptrollers, discussing various types of surety bonds available and their specific application to the banking field.

Milwaukee Judge Speaks

Surety Underwriters Assn. of Milwaukee has resumed its weekly luncheon meetings under the direction of Thomas F. Eader, Travelers Indemnity, president. This month Judge Herbert J. Steffes of the Milwaukee municipal court discussed functions of the court and current conditions. November speaker will be Rollie Barnum, Milwaukee surety man, former Big Ten athletic star and coach, now officiating at football and basketball games.

Offers New Bond Course

Midwestern Indemnity of Cincinnati has set up a complete bond course for its agents.

G. M. DeMarinis, bond manager, with headquarters at Cleveland, will conduct the weekly courses under the sponsorship of Cuyahoga County Board of Insurance Agents. The course incorporates study of all fidelity and surety contracts and coverages, including underwriting practices, rating, service and sales, and runs 26 weeks.

This will be augmented with a correspondence course for all other agents, who are unable to personally attend. Mr. DeMarinis has been bond man 25 years and has been an instructor for Insurance Institute of America for 12 years.

Any one interested may communicate with Midwestern Indemnity in the First National Bank building, Cincinnati, or at the Cleveland branch, Frederick building.

ASSOCIATIONS

So. Cal. Association Elects

LOS ANGELES—Casualty & Surety Fieldmen's Assn. of Southern California has elected as president, **Robert J. Huntsberger**, American Surety; vice president, **Howard K. Payson**, Fireman's Fund Indemnity; secretary, **William Hines**, Travelers.

Elevator Inspectors Meet

MILWAUKEE—At a meeting of Wisconsin Elevator Inspectors Assn. here, **C. E. Rasmussen**, Wisconsin industrial commission, was discussion leader on "Elevator Code Requirements." **Eugene Fields**, Otis Elevator Co., Chicago, spoke. **W. F. Rosenberg**, Aetna Casualty, is president.

Burglary Club Dinner Nov. 22

James B. Donovan, general counsel of National Bureau of Casualty Underwriters, will speak at the annual meeting of Burglary & Glass Club of New York Nov. 22.

Indianapolis Gathering

INDIANAPOLIS—At the meeting here for agents of the Buckeye Union companies, attended by 14 home office men. **G. H. Downey**, Indiana branch manager, presided at the luncheon. Commissioner Pearson spoke briefly

commenting favorably on the companies and their relations to his department.

At the banquet that evening, 10-year service medals were presented to three agencies. President **Frederick E. Jones** presided.

Preferred Accident

Examination Report Made

Assets of Preferred Accident at Dec. 31, 1947, amounted to \$15,711,254 and surplus to policyholders was \$2,716,828, according to the report of an examination conducted by five states. The examiners state that "the tide of turmoil and confusion rampant even in the most routine activities, prevalent when the new management assumed control, has been halted and reversed." Under the new management, according to the examiners, the "results attained have improved the general condition of affairs," and "the current overall operating program appears to be fundamentally sound with specific exceptions." The examiners recommend that the company make every effort to acquire additional surplus funds or failing to do so, drastically reduce premium income.

The surplus, credited by the examiners, was \$636,694 less than that reported by the company. The difference was due mainly to increased case basis reserves and to provisions made for additional and reopened cases, incurred but not reported losses and future unallocated claim expense.

Doctors in "Comp" Field Form Organization

American Academy of Compensation Medicine recently was formed by doctors interested in the field of workmen's compensation and will hold its first meeting at the New York Academy of Medicine Nov. 12. Purposes are "to establish and to elevate the standards of practice and ethics in the field of workmen's compensation and industrial medicine, and to encourage, foster and promote improved organization and service in caring for the ills of injured in industry by means of study, research and education." It has a publication, "Compensation Medicine."

At the Nov. 12 meeting there will be a panel discussion of compensation with panel members consisting of non-medical men—a judge, lawyer, employer, administrator and so on. **Henry D. Sayer**, general manager of Compensation Insurance Rating Board of New York, will represent the insurance viewpoint on the panel. In addition, there will be medical papers on occupational disease, heart conditions, etc.

"Comp" Classes at Alton

ALTON, ILL.—Evening classes in workmen's compensation law will be started here by University of Illinois on Nov. 5. **Emerson Baetz**, Alton attorney, will teach the course.

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To Property Owners*

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"What you need is a competent broker or agent who not only knows insurance contracts, but also knows his way around in the insurance markets. Such an expert can relate your insurance to current economic conditions and set up a program to meet your own special requirements." (from an Atlantic newspaper advertisement)



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Automobile, Liability and Casualty Insurance**

First TDB Plan for Small Firms

(CONTINUED FROM PAGE 22)

ployees where average earnings per employee are \$40 weekly or more.

Under both plans, the employer pays only 1/10 of 1% of the first \$3,000 of annual earnings instead of 1/4 of 1%, and the employee pays 3/4 of 1% of the first \$3,000 of annual earnings he would under the state plan, but gets the extra benefits offered by Continental at no extra cost.

Favorable Comparison

Comparison of the plan "AAA" for employers with less than 25 employees shows how favorably the Continental plan compares with benefits provided by the state. The amount of weekly accident and sickness disability benefit provided by the state under the new law is approximately 60% of weekly earnings up to \$22 per week benefit, based on past wage history in the same manner as unemployment compensation benefits. The Continental plan provides benefits of 66-2/3% of weekly earnings up to \$27 per week, based on current earnings. While hospital confined, benefits otherwise payable are increased 50%.

In other words, the advantages of the Continental "AAA" plan over what the state provides amount to from 11% to nearly 23% higher disability benefits, or up to \$5 per week more than the state plan. If the employee earns \$40.50 per week or more, he can collect \$40.50 each week he is hospital confined. While the state bases benefits on past wage history, the Continental bases them on current earnings, a talking point with employees.

The state plan provides benefits beginning with the eighth day of disability which are payable from 10 to 26 weeks during any 12 consecutive months. Continental, under the "AAA" plan, provides benefit to begin with the eighth day of disability payable up to 26 weeks for each period of disability rather than just from one period during the year, regardless of past wage history.

The Continental "AA" plan is only slightly less liberal. It provides up to 11% greater disability benefits for employees earning less than \$35.54 a week than the state plan provides. If the employee is hospital confined, he can collect as much as \$33 per week as against the \$22 weekly maximum under the state plan.

Under the Continental "AA" plan, the maximum 26-week period of benefit is also offered for each period of disability rather than during the year.

The Continental Casualty literature which has been distributed to New Jersey agents describes both plans and contains a consent form to be signed by a majority of employees and the official application for approval of the plan to be completed and returned in an enclosed postage-paid reply envelope. The

company stresses that there is no more detail necessary than to answer all questions in the forms provided with the literature.

Employers are advised merely to inform employees of their intent to adopt the private plan, to distribute a description of the plan among the employees for their consent and when a majority has signed the form, the requirements of the law have been met. The employer retains the consent with signatures. The employer is then instructed to complete the application with his registration number and the name of the licensed agent or broker of his choice.

Continental Casualty has simplified the administration under the private plan. The employer merely sends one check to Continental Casualty for the amount due (.85 of 1% of the first \$3,000 of taxable wages per employee) together with a copy of his quarterly tax report at the time he filed the original report with the New Jersey unemployment compensation commission.

What Management Expects of Agent and Company

(CONTINUED FROM PAGE 3)

ence with unqualified agents, and Mr. Gallagher thinks the companies do themselves and their agency forces a great disservice in appointing them. Companies are providing more agent education but they seldom continue the courses of study on a post graduate level, he noted.

Too Strong on Status Quo

Recently, an insurance executive told Mr. Gallagher he could not understand the almost universal insistence on retaining the status quo and refusing "to move into the golden era ahead." He commented particularly on the slowness in meeting two great bottlenecks—interstate rating and multiple line underwriting.

Too many companies find too many reasons why something can't be done and too few reasons why it can be done, he declared. Sometimes these reasons are good. When they are, the companies should not camouflage them. An example of bad handling is the present discussion of the term rule. There are two reasons why many companies want to eliminate the term discount: It ties up too much capital for too long a time in the unearned premium reserve, and an inadequate rate becomes still less adequate when discounted. Why prattle about the Robinson-Patman, Clayton and Sherman acts, public law 15, the federal trade commission and the rest of the circus of confusion? Stand up and give the reason why it's not good, if it isn't.

Martin Loewing, at one time manager for Pearl at Seattle, recently with the Armstrong general agency, has joined the George C. Newell general agency at Seattle.

Need for Public Relations Created

(CONTINUED FROM PAGE 22)

files. "Never write a letter you wouldn't want to read to a jury", he said, adding that they could never know when their file was going to be read or by whom. In its investigations his department watches for improper claim settlement procedure and does not hesitate to tell the guilty company to straighten itself out, and he added that his department had the authority to do it.

One of the more important things to watch out for in claim files is to avoid any indications of racial discrimination. He said that he knew of no better way for a company to get into trouble with the regulatory authorities and the public than by using unfair claim settlement procedures or writing up claims reports which reflected racial or religious bias.

He then reviewed the history of the commissioners' and the postoffice department's struggles with the unscrupulous A. & H. companies which he said have become headquartered in six states where "the regulation of insurance is a little less than distinguished." He did not refer to all mail order companies but singled out those that have objectionable practices.

FTC Scrutinizes Ads

The federal trade commission has maintained a scrutiny of the advertisements used but is also aware that the contracts themselves, as well as claim settlement practices can be detrimental to the public interest. These "bad apple" companies make it difficult for the legitimate carriers, and might cause increased federal intervention in the regulation of the insurance business, he believes. He said he is a firm believer in private enterprise, admitting that it could do a better job than government—including state funds. He urged that the business cooperate in keeping its operations on an ethical level. If the companies do not cooperate with state regulation then it is not a far step to federal regulation and eventually federal operation of the business.

At the business meeting preceding the dinner Robert W. Dick of Assn. of Casualty & Surety Companies, discussed the Pittsburgh auto property damage appraisal plan and described how it worked. Apparently many claims men have strong criticisms of the plan.

Speaking briefly at the dinner was Frank D. Maurin, vice-chairman New York Workmen's Compensation Board, a former claims attorney for London Guarantee at Buffalo.

A. C. Robotham Advanced

Allan C. Robotham has been appointed assistant comptroller of Travelers. A graduate of Brown he joined Travelers in the general accounting division of the comptrollers department in 1934.

Al Weinberg Promoted

Bankers Life & Casualty has promoted Al Weinberg to assistant agency director. He was formerly with Northern Mutual, which Bankers L. & C. absorbed. Because he rapidly proved his ability at training new agents he was appointed acting manager and soon was appointed manager on a full-time basis at the Chicago branch.

Boadway Detroit G. A.

Harold A. Boadway has been promoted to general agent of Massachusetts Protective and Paul Revere Life at Detroit. He succeeds Ira H. Blakely, who retired under the company pension plan.

Mr. Boadway has been with the companies since 1927 as agent, supervisor and general agent at Port Hudson, Mich., Detroit and Long Island, N. Y.

He is a member of the executive board of Detroit A. & H. Assn.

Accountants Hear Reg. 30 Talks

(CONTINUED FROM PAGE 3)

tracts assumed and ceded; a list of memberships in underwriting pools and associations and participation in them; the inter-office pooling arrangement, which, if complicated, should be prepared in chart form for each examiner; a list of branches and departments, service offices and general agents and descriptions of their methods of reporting; all supporting work sheets, summaries and memorandum records used in compiling the annual statement; branch offices and particularly anonymous departments should have all details supporting their year-end summaries on file at the home office, before the examination; a synopsis of the routine and controls of the company; and a proper introduction to executive officers and all department heads to get the examination off to a good start. Above all other factors, he stated, the examiner is interested in proper controls, proper allocation, and systems.

The functions of the actuarial bureau at the National Board and its divisions—the loss information service, the loss record division, and tabulating and statistical division—were described by Dr. Joseph H. Finnegan, National Board statistician. His groups expect to expand considerably when in January the board begins its collection of data for premiums earned and losses incurred. The actuarial bureau has called a meeting for Nov. 4-5 at the Ambassador Hotel, Atlantic City, with company accountants and statisticians to prepare for its new task.

Lawrence W. Miles, vice-president of Joseph Froggatt & Co., New York City, offered suggestions to the accountants on how they could adapt their methods and systems to regulation 30.

Other talks on the program included "Ocean Marine Accounting" by William C. Bregartner, Chubb & Son; Bernard S. Torrie, Shaw-Walker Co., Boston, on "Advancements in Office Management"; "Association and Pool Accounting" by Everett S. Stryker, assistant comptroller, Factory Insurance Assn.; and Joseph Raywid, New York, on "Unearned Premium Reserves."

O.K. Ky. Medical Plan

A pre-payment surgical and medical benefit insurance plan was approved by Kentucky medical assn. at its annual meeting at Covington. A committee was appointed to study existing plans and it is probable that a plan similar to that of Ohio Medical Indemnity will be adopted.

The Louis K. Moffett agency of Blackwell, Okla., has been sold to Leland Seay of Drumright. Mr. Seay, who operates a local agency in his home town is being assisted by his son, Keith Seay, in management of the agency.

Convention Dates

Oct. 28-29, Tennessee Agents, annual, Noel Hotel, Nashville.

Nov. 3-4, Connecticut Agents, Annual, Hotel Stratfield, Bridgeport.

Nov. 4-5, Nebraska Agents, annual, Cornhusker Hotel, Lincoln.

Nov. 11-13, National Casualty & Surety Agents Assn. and International Assn. of Casualty & Surety Underwriters, joint annual meetings, Greenbrier, White Sulphur Springs, W. Va.

WANTED

One of America's largest stock casualty and surety companies is looking for a young man well grounded in underwriting to join its underwriting department for assignment in near future to special agents work. Desire man with possibilities for branch office management after proving himself. All inquiries will be held in strict confidence. Address S-17, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

"There are no circumstances, however unfortunate, that clever people do not extract some advantage from them."

LA ROCHEFOUCAULD.

If you are all settled to listen to your favorite radio program and the announcer says, "The facilities of this station for the next half hour, have been purchased by Candidate Whozis," don't curse. Spend the half hour listing candidates for public office who are prospects for public official bonds. The time to solicit them is before, not after election. Generally, this is election year.

New Amsterdam
Casualty Company

BALTIMORE

NEW YORK

Casualty Claim Questions Listed

At the claim gathering of Conference of Mutual Casualty Companies Nov. 18-19 at the Stevens Hotel, Chicago, Robert B. Gode of Allied Mutual Casualty, will serve as general chairman, and W. A. Hults, Auto-Owners, will preside.

A talk on "Adjusting Problems Under the M. & C. Policy" will be given by William P. Jamison of Auto-Owners, and then there will be a panel discussion, the subjects being: What does products liability cover? explanation of care, custody and control; where does pick-up and delivery begin and end?; what is contractors' contingent liability?; what is contractual liability?; explanation of the scope of public liability and property damage; liability of assured for drilling in streets and highways, for damage caused by teams or vehicles, for damage caused by bulldozers and grading vehicles.

For the O L & T panel discussion the questions are: Does O L & T coverage extend off the premises? To alterations and repairs? What liability is covered under the elevator policy? Is an employee covered when outside the scope of his employment?

On the theft policy discussion the questions are: What is meant by mysterious disappearance?; What property is excluded under the business, professional or occupational exclusion?

"Permissive use of an automobile" will be treated by Fletcher B. Coleman, of State Farm Mutual, and "Court Approval of Settlements with Minors" by Ari M. BeGole, attorney of Detroit.

"Liability of company where judgment exceeds policy limits" is the topic of Richard C. Masters, Auto-Owners.

In the discussion of auto claim problems, the questions include:

Should practical nurses be paid under medical payments?; should companies make payments under medical payments for good will purposes?; should companies pay dental bills incurred after one year under medical payments?; where does loading and unloading begin and end?; should a company use checks or drafts in settlement of claims?; should a company accept a release on the check or draft as final?; should a company settle material damage claims of less than \$50 without taking a release?; how are reserves set up on material damage claims, by averages or by actual estimates?; should a company set up a reserve on every P.D. claim when first received or wait until the claim is made?; how are claims processed to avoid detail?; how much authority should be given to the average adjuster?; how much premium volume should one adjuster handle?

Detroit Boat Racers Covered by Continental Casualty

Kuhlman-Landon Corp., Detroit, through Continental Casualty inaugurated medical reimbursement and accident death plan covering the 158 raceboat drivers and 288 mechanics during the recent gold and silver cup boat races of Detroit International Regatta Assn. All the drivers and mechanics during the 9-day regatta were covered on a 100% compulsory basis for medical reimbursement up to \$500 and \$5,000 accidental death. The plan was so successful that agreements are now in process with the American Power Boat Assn. to work out a schedule on the same basis covering all sanctioned races throughout the entire country.

Gaul to American Casualty

Bernard W. Gaul has been appointed bond department manager of American Casualty at Chicago. He was formerly an underwriter for Fidelity & Deposit and before that manager of the bond claim department of Royal-Globe-Eagle Indemnity there.

Phoenix, Conn., Makes Changes

Phoenix of Hartford announces a number of important field changes.

In Minnesota T. A. Valine, Jr., becomes state agent for the territory that was supervised by J. H. Klinkenborg who resigned to enter the local agency business at Alexandria, Minn. Mr. Valine will continue as well to travel for the inland marine department.

Richard P. North has been transferred from the inland marine department to become special agent, assisting Mr. Valine.

Also assisting Mr. Valine will be Leonard Hagen, formerly of Employers Fire in Minnesota.

In the Rocky Mountain field M. L. Burg becomes special agent replacing James N. Hamill. Mr. Burg has been with Phoenix in the Coast department several years.

In Iowa Eugene L. Graf joins Phoenix as special agent. He has been an Illinois field man.

Lack of Claim Men Pinches Companies

With the big increase in premiums has come a lot more claims, and casualty claim departments find themselves short-handed. This appears to be general, and top executives of some companies have turned their attention to the problem in an effort to reach a solution.

Several large casualty insurers are initiating schools for promising claim candidates. These men have had law training, though some are not attached to the claim departments but are being recruited from other work in the company.

Law Graduates Scarce

Executives have discovered that it is not easy to attract young lawyers out of college into insurance companies because insurance is not popular.

Salaries in claim departments have been low, in comparison with some other divisions of the insurance business, and insurance does not stand high in degree of attraction for college graduates. Also, the rate of progress in claim work is slow. One reason is that it takes a good while to produce a seasoned casualty claim man.

There are apt to be some changes as the companies work themselves out of the present emergency short supply of claim men.

Martin U. S. Casualty Secy.

Stanley G. Martin, assistant secretary United States Casualty, has been elected secretary. He is one of the veteran casualty underwriters in this country. A native of Liverpool, his first connection in this country was with Ocean Accident in 1905.

In 1913 he assisted in the formation of the casualty department of Hartford Accident and later joined U. S. F. & G. at New York as its casualty manager. In 1922 he became a vice-president of Independence Indemnity, going from there to U. S. Casualty.

Make 2½% Mass. Accident "Non-Can" Restoration

Under the reinsurance and management agreement with the Union Mutual Life in 1940, Commissioner Harrington of Massachusetts has directed a restoration of 2½% of the original indemnities under "non-can" policies of Massachusetts Accident where benefits had been reduced, effective Nov. 1.

It is required that \$174,024 of the surplus developed under the management of Union Mutual Life up to Dec. 31, 1946, be used for restoration and payment and reserves for payment of additional indemnities.

Of the total, \$67,208 will be used for

restoration and interest payments, \$47,367 to increase active life reserves and \$59,499 in increasing claim reserves.

Eastern C.P.C.U. Conferment

An all-industry luncheon of the New Jersey, New York City and Connecticut chapters of C.P.U.C. will honor the 11 newly designated members of the society at Pennsylvania hotel, New York, on Nov. 17. Dr. Harry J. Loman, dean of the American Institute, will administer the oath and confer the designations, and Leonard E. Read, president of Foundation for Economic Education, will talk on "Table Stakes."

Surety Underwriters Assn. of Grand Rapids held an outing at Silver Lake Country Club. A golf tournament was conducted for all casualty and surety men in the territory and Arthur F. Harwood, Jr., of Aetna Casualty had low gross with 72, followed by James Barr of Hartford Accident with a 74. The blind bogey was won by Vincent Young, Aetna Casualty.

\$48,000 Ind. Embezzlement

Roswell M. Kaiser, 60, manager of the branch at Bunker Hill, Ind., of

Wabash Valley Trust Co., is being held by federal authorities at South Bend, charged with embezzling \$48,000. The bond is with U.S.F.&G.

Dewey Is Committed to Increased SS Benefits

Insurance people noted with interest Gov. Dewey's stand on social security benefits as stated in his Chicago talk Tuesday night.

"Your next administration is going forward to make more adequate provisions against the hazards of old age and unemployment. It will increase social security benefits."

That was his entire reference to the subject. He did not indicate whether he favors increased benefits for those now covered, extension of the coverage to groups not now insured, or inclusion of sick benefits.

Company Is Reactivated

Midwest American Mutual, now operating out of Des Moines, is a reactivation of Protective H. & A. of that city. It is allied with the O'Dea Finance Co. and the American Mutual Insurance Assn. At the year end, all of the business of Protective H. & A. was re-insured in World of Omaha.

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means

two strong companies

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

THE BUCKEYE UNION CASUALTY CO.

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Fidelity and Surety

THE BUCKEYE UNION FIRE INS. CO.

Fire—Allied Lines—Inland Marine

Capital Stock Insurance Companies operating in Ohio,
Indiana, Pennsylvania, Michigan and Kentucky

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District Managers and Representatives WANTED

Geo. F. Mausmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

ACCIDENT AND HEALTH

Hike A. & H. Limits to Meet Present High Income Levels

A. & H. companies are changing their general maximum limits on income protection policies to conform to the present high income levels of certain occupations, according to discussions at the underwriting forum of H. & A. Underwriters Conference at Chicago.

Some companies will issue coverages over the general average of \$200 per month if the risk is in the professional classification and the income warrants higher replacement protection. Highest loss of time of the companies represented at the forum was \$700 per month in a single company and this in only exceptional cases. It was indicated that the companies are taking into consideration the value of today's dollar in considering the aggregate amount of protection an applicant has in other companies. Participation limits for the majority of the underwriters was \$500 per month but five companies would go to \$600 and one to \$800.

Careful About A. & H. Insurance

J. M. Wickman, North American Life & Casualty, vice-chairman of the committee, warned that there are certain occupations enjoying temporary high incomes but future economic factors may cause a sudden drop in certain jobs and underwriters should be careful not to over-insure these classifications.

Consensus was that where applicants show a history of heart disease, diabetes, cancer and rheumatic fever, each individual case must be decided on its merits and no hard and fast rule can be given. Some applicants in this category can be issued accident insurance if the medical history reveals that the disease was not of recent duration. It was emphasized that in every instance very careful underwriting is necessary to be fair to the applicant and to see if some protection can be issued.

In a discussion of A. & H. insurance for housewives it was brought out that several companies represented do write this type of coverage up to \$40 per month and underwriting experience hasn't produced any unusual difficulties.

The afternoon session was given over to a case clinic where out of the ordinary underwriting cases submitted by underwriters were discussed.

The meeting was under the direction of D. B. Alport, Business Men's Assurance, chairman of the underwriting committee of the conference. The next meeting will be held during the mid-winter meeting of the conference at Chicago Jan. 31-Feb. 2. There were 125 in attendance.

Program Announced for Regional at Minneapolis

A discussion of current aspects of insurance regulation by Paul Clement, Minnesota Commercial Men's will be one of the highlights of the regional meeting of H. & A. Underwriters Conference at the Curtis Hotel, Minneapolis, Nov. 4.

J. L. Morrison, manager group department of North American Life & Casualty, will speak on small group and franchise insurance and Billedward Howland, statistician of the conference will discuss the recent conference hospital insurance committee report. In addition he will explain the latest developments in the Chicago hospital admission plan and current Blue Cross and Blue Shield plans.

John P. Hanna, executive director and attorney of the conference, will report on the standard provisions revisions, the accident and health industry committee and the latest developments in

the accident and health experience reporting form.

Concluding the program will be an "experts' panel" of leading accident and health executives to which the representatives in attendance may address any question pertaining to accident and health insurance.

Frank L. Harrington, Massachusetts Protective, chairman conference executive committee, will open the program with a general picture of recent conference activities.

Representatives of conference companies in Minnesota, Iowa, Nebraska, Wisconsin and North Dakota are expected to attend. H. P. Skoglund, president of North American Life & Casualty, will preside.

Pacific Mutual G. A.s Assn. Approves New Contract, Elects Officers at L. A.

LOS ANGELES—Pacific Mutual Agency Assn. held its annual meeting here with about 47 men, or practically all members, in attendance. Officers elected are:

President, E. A. Ellis, Los Angeles; vice-president, Earle S. Rappaport, Chicago; secretary-treasurer, Erle T. Gilbert, Los Angeles; directors, Raymond A. DuFour, Washington, D. C., chairman; Harry Gantz, Columbus; Emory L. Jenks, Atlanta; Walter R. Hoeftlin, Seattle; Ted Dreyer, Oakland, Cal.; and Roy Schroeder, New Orleans.

Several matters of importance to members were discussed during the sessions, which concluded with a cocktail party with the home office executives as hosts.

W. M. Rothaermel, vice-president and superintendent of agents, and Asa V. Call, president of Pacific Mutual, addressed the association. Mr. Rothaermel commented that the company this year is writing a good volume of new business and most of the agencies are making an improvement in production over 1947.

A new agency contract which has been studied for many months by a special acquisition cost and compensation committee of the association of which R. B. Coffman of Cleveland was chairman and Earle S. Rappaport, Chicago, secretary, was approved.

Practically the entire meeting was devoted to discussion of provisions in this contract. Minor adjustment in commissions on some forms was made and the changes approved by both company and agents. In general, old general agents with a large number of older agents will have their rights under the old contract recognized but any new men they appoint will go under the new contract, and all new general agents and their men will go under the new contract.

Gregory, Tull, Jones Speak at Portland, Ore.

Portland, Ore., A. & H. Underwriters Assn. heard President E. F. Gregory of the National association speak on "What Are Your Intentions?" He analyzed the attitude of a typical disability insurance salesman toward his career and summarized the program of the National association for the coming year.

Charles H. Tull, Seattle, National executive board member, presented plans now in the making for a northwest regional sales congress, at which Seattle will be the host, and to include the associations at Portland, Spokane and Vancouver, B. C.

Wesley Jones, assistant executive secretary spoke on the value of membership in the National association.

Vern Gilbert, president of Portland Assn. of Life Underwriters, gave his approval to suggestions by President Gregory that life and disability salesmen need to extend their present areas of cooperation.

Must Have All Data Before Making Blue Cross Rates Harrington Stipulates

Commissioner Harrington of Massachusetts told a special legislative recess commission studying the Blue Cross that he does not care to have responsibility of regulating Blue Cross rates, but if he is to make rates, he wants authority to secure full information as to the experience of the organization and complete knowledge of what its hospital contracts are. As it stands now, the commissioner has to approve the rates without being able to establish standards to determine their soundness, he said.

He declared that Blue Cross should pay a 1% tax on policies, amounting to about 39 cents a month. Meeting the objection that such a "non-profit" organization should not be compelled to pay a tax, he remarked that mutuals and reciprocals are also non-profit, yet pay a tax. It is unfair to people of Massachusetts not in Blue Cross to have to meet the costs of regulating that organization.

The insurance department, said Mr. Harrington, has spent more time on the problems of Blue Cross than on any other organization he has to deal with.

He opposed the proposition of Roger W. Hardy, acting director of Blue Cross, that the subscribers elect a major proportion of the Blue Cross directors.

If the legislature does not see fit to give him full authority, the commissioner suggested that control of Blue Cross be placed in the hands of the health commissioner or the commissioner on hospitals.

Ore. Doctors Are Hit

The Department of Justice has filed civil antitrust suit in the federal court at Portland against Oregon State Medical Society, Oregon Physicians' Service, eight county medical societies, and eight individual doctors. They are charged with engaging in a combination and conspiracy to restrain and monopolize the sale of prepaid medical care in Oregon and other states. The complaint states that the defendants have conspired to deprive the public of the opportunity to acquire prepaid medical care insurance from competing organizations and that doctors have been prevented from practicing in Oregon on terms of their own choosing and that some of them have been denied the use of hospital facilities in Oregon.

Blue Cross Results Told

A total of \$132,162,960 was paid hospitals by Blue Cross plans during the first six months of 1948, an increase of \$33,652,590 over payments during the same period last year, the Blue Cross commission of American Hospital Assn. announced at the annual conference of Blue Cross plans at French Lick, Ind.

Total income for all plans in the six-month period was \$150,877,895. Of that amount 87.6% went to hospitals. Combined operating expenses for all plans were 10.8%.

Olsen Cal. President

Charles E. Olsen, Cass & Johansing, Los Angeles, was elected president of California State Assn. of A. & H. Managers Clubs at the annual convention at San Francisco. Vice-president is Duncan MacEwen, Occidental Life, and secretary Ray G. Schofield, Massachusetts Bonding, both of Los Angeles.

The program as previously announced went off on schedule.

Marshall Goodmanston, Provident Life & Accident, presided.

Murphy A. & H. Supervisor

J. Harold Kay, general agent at Newark of Security Mutual Life, has appointed John A. Murphy supervisor of the agency's A. & H. department. Mr. Murphy has been with the agency for nearly 3 years and was formerly cashier

CHANGES

Lewis Succeeds Bartlett at Md. Cas.

H. G. Lewis, Jr., former manager of Maryland Casualty's New Orleans claim division, has been appointed manager of the home office claim division. He succeeds Thomas N. Bartlett, who is retiring from active duty.

F. E. Pausch, former manager of the bonding claim department, was promoted to be chief claims attorney.

Mr. Lewis, a claim man of wide experience, has been head of the New Orleans claim division since 1939. He joined Maryland in 1921 and had served in several territories.

The casualty claim department and bonding claim department will be consolidated into the single claim division.

W. Kenyon Lloyd is the vice-president in charge of claims.

United National Promotes J. L. Shaw

United National Indemnity has promoted John L. Shaw, Jr., to superintendent of agents in charge of the head office agency department for all eastern and southern states.

Mr. Shaw was appointed special agent for Connecticut and Rhode Island by United National in 1945, and was made agency supervisor in charge of New England in 1947. He had several years of underwriting and servicing experience with American Surety and New York Casualty before serving in the army air corps during the war. He is a graduate of Trinity College, 1935.

Take in National Indemnity

Blakely & Co., general agents, Topeka, have been appointed as general agents for National Indemnity of Omaha.

Chamberlain Opens Agency

R. B. Chamberlain has opened a new local agency at Cincinnati, representing Hartford Accident and Standard Accident. He was special agent of Fidelity & Deposit at Cincinnati for seven years and for the past two years has been with H. Patrick Sweeney Co.

Fred H. Henken, manager of the underwriting service division of American Surety, has been appointed manager of the credit and investment information department. He has been with American Surety since 1937.

Wisconsin Gets Plaque

Thomas N. Boate, public safety director of the accident prevention department of Assn. of Casualty & Surety Companies, presented Gov. Rennebohm a bronze plaque awarded the state of Wisconsin for its driver education program. Wisconsin now has driver training courses in 298 of its 463 secondary schools, attended by 18,959 of 34,258 eligible pupils. North Dakota is the only other state to receive a similar plaque.

Give Seller's, Buyer's View

At the first fall meeting of A. & H. Underwriters Assn. of St. Louis, Monte Baer of the Kern Insurance Agency discussed "The Seller's Point of View" and Dr. Philip DuBois of Washington University, "The Buyer's Point of View."

Southwestern Assn. of Industrial Editors reviewed company publications at a meeting at Lincoln, Neb. Participants included W. A. Sherman, and Miss Mary O'Connell, State Farm Mutual; R. W. Faulkner and James Evinger, Woodmen Accident.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Completing Plans for Wis. Parley

MILWAUKEE — Arthur R. Setz, Waterloo, has been appointed by Henry Bush, Madison, president Wisconsin Assn. of Insurance Agents, as chairman of the committee in charge of the annual convention at Hotel Schroeder here Nov. 22-24.

Officers and members of the executive committee will hold a pre-convention meeting Nov. 22. In the afternoon there will be an agents' forum on office management, and technique, conducted by and for agents and covering office systems, sales conferences, handling renewals and collections. Walter M. Sheldon, W. A. Alexander & Co., Chicago, member executive committee N.A.I.A., will discuss activities of the National association. Local board officers will have a dinner meeting Monday night with member and guest speakers discussing various phases of successful local board operation.

Speakers Already Secured

Urban Krier, executive secretary, is completing the arrangements. Among speakers definitely scheduled are John C. Stott, Norwich, N. Y., new N.A.I.A. president; Gov. Rennebohm and newly-appointed Commissioner Sonderegger of Wisconsin; L. E. Read, president Foundation for Economic Education, speaking on "Let's Stay Free"; T. N. Boate, director public safety division Assn. of Casualty & Surety Companies, "Safety Is Good Business"; Chester A. Snow, secretary Phoenix of Hartford, "Business Interruption and Other Time Element Covers."

In addition to general sessions Tuesday morning, afternoon and Wednesday morning, the Wisconsin association is reinstating the popular breakfast program Wednesday, with the Marshall & Illsley Bank of Milwaukee as sponsor, and the town and farm agents committee in charge. Speakers will include Dennis C. Smith, assistant manager farm department of Home, Chicago, on "Insuring the Big Business of Agriculture—Horse and Buggy Days vs. Mechanized Farming," and J. W. S. Gallagher, Aetna Casualty, who will bring up to date "The Bank and Agent Auto Plan."

The cocktail party, dinner dance and floor show will be held Tuesday night.

Secretary Krier urges advance registration by members and non-members because of the large attendance anticipated and the definite requirement by the hotel for luncheon and banquet reservations. Fees for members will be \$10, non-members \$15, wives of members or non-members, \$5, with a Nov. 17 deadline.

Shield Would Set Up Three Classes of Licenses

COLUMBUS—In response to an inquiry from Theodore M. Gray, secretary of Ohio Assn. of Insurance Agents, Superintendent Shield has issued a statement in regard to the insurance plank in the Ohio Republican platform, which says: "We recommend a strengthening of the laws relating to agents' qualifications and a clarification of the statutory definitions of licenses according to type." A number of insurance agents in Ohio have organized to oppose Gov. T. J. Herbert for reelection, alleging that he failed to keep promises made to them in his campaign two years ago.

Mr. Shield, in a letter to Mr. Gray, says that section 644-1, general code,

which is the licensing section for solicitors, defines three classes of insurance for which licenses should be granted: (1) fire, including marine and inland transportation, (2) casualty, and (3) surety. Similar language, he says, should be carried over into section 644, establishing three definite classes of licenses to be issued to agents under that section. In his opinion, three classes should be (1) fire, including marine and inland transportation; (2), casualty, and (3), accident and health. The language concerning the qualifications of applicants for any one of these three classes, he says, should be changed to provide that such applicant be familiar with the policies and contracts of insurance in the class of license for which he is applying.

The superintendent also says section 644-3 should be amended to include a prohibition against using a license to effect insurance on the property of such agent, broker or solicitor or that of relatives, employers and employees, or that for which they or the licensee is agent, custodian, vendor, bailee, trustee or payee. This amendment, he says, would make the language of section 644-3 follow precisely the language now used in section 644 and make illegal the use of such a license in violation of the applicant's sworn statement concerning his intention in applying for it.

Mahoney Named Inspector

Northwestern Mutual Fire has appointed Justin G. Mahoney inspector for its central department. He was trained as an inspector by Northwestern in Canada after leaving the Canadian air force. He will work out of the department office at Columbus, covering Ohio, Michigan, Kentucky and West Virginia.

Rochester Agents Elect

Insurers Assn. of Rochester, Minn., has elected William Hirman, president; John Oliphant, vice-president; Robert Ashcraft, secretary, and Donald Russell, treasurer.

Minnesota Regional Elects

New officers of Range Assn. of Insurance Agents in Minnesota are Arthur J. Kaatjala, Grand Rapids, president; Orville T. Hegland, Virginia, vice-president; Eugene D. Billeadeau, Grand Rapids, secretary.

Mich. C.P.C.U.'s Discuss Education

A discussion of the state educational program as it applies to C.P.C.U. courses, primary courses and various company educational programs featured the October meeting of the Michigan chapter of C.P.C.U. Guests were E. J. Soop, director of the University of Michigan extension service; Hampton H. Irwin, associate insurance professor at Wayne University, and M. J. Pierce, educational director of Standard Accident.

Perlet to Instruct at Columbus

Dr. Harry Perlet, rating chief of the Ohio department, will be instructor in insurance regulation when classes begin Nov. 1 at Columbus in the general insurance course sponsored by the Columbus board.

Classes will be held weekly until after May 23, 1949, as a continuation of the classes held last spring.

Subjects will include automobile, fire and allied lines, inland marine, A. & H., office management and insurance regulation.

Insurance Women of Alliance, O. at the October meeting had as speaker Alfred S. Snow, state agent of Camden Fire, who talked on public relations.

PACIFIC COAST AND MOUNTAIN

Promote Simpson, King on Coast

George J. Simpson has been named as Los Angeles resident manager for Fire Association, with complete supervision over business written in southern California. He has served as special agent in the southern California field for the past several years and prior to that time supervised the brokerage department of the company's New York office.

Jack E. King is named as San Francisco metropolitan manager of Fire Association, succeeding Charles W. Rogers, who is now assistant manager.

Mr. King has been with Fire Association 26 years. He will have supervision over all San Francisco business including Bay area and Peninsula territories. He will be assisted by Special Agents Frank Peggs, Jack Albert and Sig Gerstle.

State of Wash. Liquor Coverage Is Renewed

SEATTLE — The Washington state liquor control board has renewed fire insurance schedules on its warehouse stocks and stores and agencies throughout the state. The large provisional schedule of \$4,970,000 covering at pier 70 here is divided proportionately among the same companies writing the more desirable store and agency schedule as well as the bottling plant. Values on the stores approximate \$2,500,000, coverage on agencies approximates \$500,000, and the bottling plant is insured for \$67,000.

The coverage, written on a three-year basis, develops a deposit premium of \$27,695 on the pier at Seattle, \$5,820 at united warehouse and \$382 at another location.

A new warehouse, of class B construction, fully sprinklered, is being built on East Marginal way near Spokane street, to be completed about Jan. 1. It will be divided into five fireproof sections and the rate is expected to be about a third of the present .743 rate at the old warehouses.

In addition to the provisional schedule, the board is carrying \$1,500,000 specific insurance.

R. I. Writes Multiple Lines

The certificate of authority of Rhode Island has been broadened, under the new Washington multiple line law, to permit the writing of casualty and surety lines, in addition to fire, automobile and inland marine. A similar extension is being sought in Oregon. General Agencies of New York, Inc., represents the company in the northwest.

Frederick W. Koch, formerly casualty underwriter with Hansen & Rowland, has joined the Seattle office of General Agencies of New York as manager of the casualty department.

Kelso Opens Denver Office

Kelso & Sons, Los Angeles, have opened a service office in Denver, specializing in insurance of long-haul trucking, aircraft, buses and taxicabs. T. E. Wright, Kelso's Chicago representative, has been in Denver to assist S. W. Foreman, Denver representative, in setting up the new office.

Withers Ariz. Manager

Conde W. Withers has been appointed manager of Arizona Fire Rating Bureau, taking the place left vacant by the death of Maynard R. Colwell. He is a

graduate of University of California and has been with the bureau since 1925.

Leslie W. Price, formerly chief surveyor, becomes assistant manager along with Hyde Clark. Mr. Price attended Stanford university and has been with the bureau since 1928.

Houston, O'Brien on Circuit

William M. Houston, newly appointed U. S. manager for New Zealand, and William J. O'Brien, world inspector for New Zealand, are spending the latter part of October and early November in traveling the 11 coast states, visiting the field force, agents and friends.

Seattle Agency Is Split

Pettit-Frazier Co., Seattle local agency, is being separated into two firms. James W. Frazier, who joined operations with Lester W. Pettit in 1941, is now doing business under his own name, while Mr. Pettit, who was with Marsh & McLennan before joining with Mr. Frazier, will do business under the firm name of Pettit-Morley Co.

Adjusters in N. W. Organize

A new organization known as Pacific Northwest Assn. of Independent Adjusters has been formed by a group of firms in the Seattle, Portland and Spokane area.

Its purpose is to police the adjusting business in the northwest through establishment of qualifications and to adopt and adhere to a code of ethics.

SOUTH

To Honor Loman and Texas C.P.C.U.'s at Dallas

Dean Harry J. Loman of American Institute of Property & Casualty Underwriters, and the five Texas men who received the C.P.C.U. designation this year will be honored at the luncheon of Dallas Insurance Agents Assn. Nov. 12. City, county and school officials of Dallas will be guests. President Umphrey Lee of Southern Methodist University will speak. Dallas College, the evening school of S.M.U., is conducting the class work preparatory for the C.P.C.U. examinations. Willard Crotty, Dallas association president, is teaching insurance principles and practices, with 70 enrolled.

Dean Loman will be entertained that night at a dinner as guest of the Southwest C.P.C.U. chapter. Price M. McCulley, of General Adjustment Bureau, Dallas, is president of the chapter, which has 14 members.

Miami Project Dropped

The project that was discussed by hotel and apartment house owners at Miami and a number of local agents to form an insurance company with adequate reinsurance facilities, to provide windstorm insurance in that area has now been dropped due to the fact that the windstorm rates have now been adjusted apparently to the satisfaction of the companies and the assured. The agents also appear to be satisfied.

Bonds Are Forfeited

Bonds of Col. Frank Bailey and his son, Frank Watson Bailey, who were charged with converting to their own use \$48,386 which belonged to the now defunct Keystone Mutual Casualty, were forfeited in Fulton superior court at Atlanta when they failed to appear. They were indicted on a charge of lar-

ceney after trust. It is reported that they are living near Jacksonville, Fla.

Cotton Council Warning

MEMPHIS—A special fire-prevention bulletin issued by National Cotton Council to all cotton growers, gin and warehouse operators warns that there has been a marked increase in cotton fires, probably due to the fact that cotton pickers and handlers are permitted to use "strike-anywhere, non-safety matches which find their way into the cotton, later to start fires in the highly inflammable raw cotton or during the ginning process." Several disastrous fires have been traced to this cause this season, according to the council bulletin.

Virginia Association Holds Six Regional Meetings

Six regional meetings of Virginia Assn. of Insurance Agents were scheduled for this week, at Alexandria Oct. 25, Charlottesville Oct. 26, Lynchburg Oct. 27, Roanoke Oct. 28, Pulaski Oct. 28, Bristol Oct. 29.

Speakers at the meetings were: Theo. W. Kelley, Richmond, "Selling Personal Property Floaters;" E. H. Luecke, American, "Now is the Time to Sell and Sell and Sell;" Jack E. Baldwin, assistant secretary N.A.I.A., "The National Picture;" Roger Clarke, Fredericksburg, "How Do You Handle It?" and Warren F. Curtis, Richmond, "Fidelity Bonds." In addition, the sound movie, "Your Best Policy," was shown at each meeting and an officer of the Virginia association explained what it is doing. Open forum discussions followed each of the talks. Eligible non-members as well as members were invited to attend.

The next series of meetings is planned for January, although no definite dates have yet been set. Others will be held later in the year, so that the entire state can be covered.

Auto Insurance Trends Told

San Antonio Insurance Exchange heard Angus McDonald, assistant actuary of the casualty division of the Texas department discuss the trends in premiums and losses in automobile insurance in Texas. He explained that the upward trend is due to four factors—increased value of cars, frequency of accidents, scarcity and cost of parts, and higher labor costs. He said the expectation that the credit regulations would lower the price of second hand cars has not been realized.

Okla. Regional at Shawnee

Oklahoma Assn. of Insurance Agents has scheduled a district meeting for Dec. 3 at Shawnee. At its last meeting the association voted to employ a full-time secretary. So far the officers have not found the man they want and are still looking for one capable of filling this position.

Gordon A. Schmidt has opened his own local agency at Charleston, S. C. He was with the Pinckney-Carter Co. six years and with Henry Schachte & Sons more than seven years.

J. Peter Knowles has resigned as executive secretary of Jacksonville Beach Chamber of Commerce to join the Harley DeLoach local agency.

Virginia Ward Willings, personnel director of Kentucky Inspection Bureau, was recently married to Elmer F. Schroeder of Cleveland, an engineer for the Goodrich company. She will continue in her present post until the first of the year.

About 70 members of Insurance Women of San Antonio and guests viewed the Fireman's Fund Diamond Knot salvage film, presented through the courtesy of the Alamo Field Club, with Willard Heath, Trinity Universal, as operator. Walter Plangman, director of Texas Advisory Assn., told the story of the operation.

Insurance Women of Milwaukee will entertain their bosses Nov. 1 with a dinner.

EAST

Conn. Agents Ready for Golden Rally

William J. Dodd of Waterbury, president of Connecticut Assn. of Insurance Agents, announces the program for the 50th anniversary meeting of the association at the Hotel Stratfield, Bridgeport, Nov. 3-4.

The meeting will open the morning of Nov. 3 with a meeting of the directors followed by a luncheon for the board. The general session will start that afternoon. Mr. Dodd will give his report followed by a presentation "Public Relations—A New Approach" by John N. Cosgrove, director of public relations of American.

Amos E. Redding, assistant secretary of Aetna Casualty, will give a talk, "Some Current Opportunities for Creative Selling," and Vice-president O. Shaw Johnson of National Assn. of Insurance Agents will speak on National association activities. There will be a reception at which the membership will be the guests of the Connecticut companies.

At the banquet, Commissioner Allyn will extend greetings and Jimmy Swan, humorist and after-dinner speaker, will appear.

The next morning there will be held a forum on agency qualification laws with Lester F. Shea of Willimantic, as leader; on recent changes in rules and rates for extended coverage No. 4, led by David A. North, New Haven; on agency costs analysis, by State National Director E. S. Cowles, Jr.

Leonard E. Reed, president of Foundation for Economic Education, Irvington-on-Hudson, will speak.

A luncheon for local board officers will be held with Philip H. Bliss presiding.

The general session in the afternoon will be devoted to association business.

Regional at Jamestown

More than 40 agents of Chautauqua county attended a regional meeting at Jamestown, N. Y., sponsored by Jamestown Fire & Casualty Underwriters Assn.

Featured speakers were Roy Duffus of Rochester, president, and Jay W. Rose of Buffalo, secretary of New York State Assn. of Insurance Agents.

Hazzard Heads Adjusters

L. B. Hazzard, New York, has been elected president of New York Assn. of Independent Adjusters. He succeeds J. Chester Sneath and takes office Jan. 1. E. L. Jones of Buffalo was elected vice-president and R. L. Horscher, secretary-treasurer.

Wheeling Women Visit Pittsburgh

Wheeling Assn. of Insurance Women for its October meeting took a trip to Pittsburgh to visit the home office of National Union Fire. The group was greeted by President John M. Thomas, and W. A. Rattelman, vice-president, also spoke briefly.

The ladies took a tour through the department with F. R. McKinley, special agent, acting as guide. They were guests of the National Union for lunch at the Pittsburgh Athletic Club. Eleanor A. Seidler of the Callahan agency of Wheeling was chairman and arranged for the tour.

Read-Ivory Agency, Pittsburgh has been incorporated with \$5000 capital by Guy C. Read, Pittsburgh; Cyril J. Ivory and Cyril J. Ivory, Jr., Mt. Lebanon, Pa.

Arthur G. Stangel, Manitowoc, Wis., has been elected a director of Hardware Dealers Mutual Fire and Hardware Mutual Casualty, Stevens Point, Wis., succeeding the late James B. Pierce.

IN THE CANADIAN FIELD

Coercion by Saskatchewan Government Is Charged

REGINA, SASK.—Evidence has been obtained that agents, representing the government insurance office are attempting to coerce business concerns into dropping fire and casualty contracts with private insurance companies, insurance leaders in the province state.

Private companies are reported to be mustering all the information they can get, with sworn statements. The complaints state that business executives have been approached by salesmen representing the government office. If they show no interest in government insurance, a threat is made that before long it will be impossible to insure with anybody else than the government. At that time, those who do not insure now with the government will be taken care of.

The private companies are quite likely to take the matter into court to see where they really stand with respect to opponents of private enterprise who are working on plans eventually to rid Saskatchewan of competitive insurance.

Now that the socialist C.C.F. government has been reelected for another five years, it has been learned that measures to "tax private insurance companies out of Saskatchewan" are under consideration. Private companies would not be surprised to see a rate war started, with the government reducing its rates substantially below the abnormally low premium rates now charged.

Alta. Government Carrier Seeks to Control Renewals

EDMONTON, ALTA. — Fire and casualty agents in Alberta are opposing a move taken by the newly-formed Alberta General, which is controlled by the government, and succeeds a branch of the Alberta government insurance office.

Alberta General, which is endeavoring to build up an agency force to compete with private companies, demands that copies of the agent's daily reports, renewal receipts and all other documents pertaining to business written for the company shall be its property. If an agency terminates its contract with the government company, then the company could demand return of every record pertaining to it.

Under usual company practice, business produced by an agent remains his property and he has the right to place it with any company he sees fit. Termination of contracts does not give the companies the right to use contacts which the agents have made. Agents therefore are being urged not to sign any such agreement with Alberta General.

New Toronto Association

TORONTO—A split has developed between Ontario Insurance Agents Assn. and Toronto Insurance Conference which has led to the formation of a new association of agents in Toronto.

As a result of the split, O.I.A.A. has formed a new local association here, but membership thus far is only a small fraction of that of the Toronto Insurance Conference. President of the new group is Harry B. Lorimer.

For several years, Toronto agents have openly resented the domination of the O.I.A.A. by groups outside the city. The flame was rekindled recently when the head office of the association was moved from Toronto to London.

Dominion Board Elects

J. V. Owen, Montreal, manager for Canada of Guardian Assurance, has been elected president of Dominion Board. J. E. Haskins, Toronto, Norwich Union, is first vice-president and

J. H. Harvey, Great American, Montreal, second vice-president.

B. C. Institute Elects

VANCOUVER, B. C.—Insurance Institute of British Columbia, has elected John F. Parrott, Aetna, president; Doug Christie, Hobson Christie & Co., vice-president. F. C. D. Odenham will continue as secretary.

Swigart Heads Mutual General Agents Body

WASHINGTON — Mutual General Agents Assn., meeting here during the convention of National Assn. of Mutual Insurance Agents, elected as president W. Emmert Swigart, Huntingdon, Pa.; treasurer, J. Don Randolph, Greenville, S. C.; secretary, Clement R. Marshall, Charlotte, N. C.

At the advisory committee dinner of N.A.M.I.A. presidents of state associations composing it were reported committed to the proposed advertising campaign, and three of them made speeches later at a general session endorsing the project, which they had not previously favored.

Walter L. Gray of Charles Litaker agency, Charlotte, was awarded a \$100 government bond, constituting the grand prize of the convention, and Mrs. Corey G. Hunter received a radio.

Tye on Merger Taxation

NEW YORK—Charles W. Tye, legal department of Royal-Liverpool, will discuss "Tax Consequences of Corporate Liquidations and Statutory Mergers" before Institute on Federal Taxation here Nov. 12. Mr. Tye is a member of the advisory committee of Institute on Federal Taxation. He is also on the program of the institute for its December meeting.

Ultramar in New Location

Ultramar, reinsurance brokers and average adjusters of New York, have moved their offices to 60 Wall street. The new phone number is Whitehall 3-9690.

Godoy-Sayan, Havana agents for Century, Western Assurance and U. S. Fire, and Cuban general agents for Reserve Loan Life, also have moved their offices to the same location.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Oct. 25, 1948

	Div.	Bid	Asked
Aetna Casualty	3.00	82	85
Aetna Fire	1.80*	49	51
Aetna Life	2.00	54	56 1/2
American Alliance	1.00*	23	24 1/2
American Auto	1.20	43	Bid
American Casualty .....	.80	9 1/2	10 1/2
American (N. J.) .....	.70	15	16
American Surety	2.50	65 1/2	67
Boston (New)	2.40	61	63
Camden Fire	1.00	20	21 1/2
Continental Casualty	2.00*	57 1/2	58 1/2
Fire Association	2.50	60	63
Fireman's Fund (New)	2.60	78	80
Firemen's (N. J.) .....	.50	15	16
Globe & Republic	1.60	47	48 1/2
Great Amer. Fire .....	.50	10	11
Hartford Fire	1.20*	32	34 1/2
Home (N. Y.)	2.50*	120	122
Home (N. Y.)	1.30	30	31
Ins. Co. of North Am.	3.00	109	111
Maryland Casualty .....	.15*	15 1/2	16 1/2
Mass. Bonding	1.60	28 1/2	30
Merchants Fire, N. Y.	1.15*	29	31
National Casualty	1.25*	27 1/2	28 1/2
National Fire	2.00	49	51
New Amsterdam Cas.	1.20	30	32
New Hampshire	2.00	44	45 1/2
North River	1.00*	25	26
Ohio Casualty .....	.80	44	Bid
Phoenix Conn.	2.00*	90	92
Preferred Accident .....	.40	4	5
Prov. Wash.	1.40*	34 1/2	36
St. Paul F. & M.	2.25*	80	82
Security, Conn.	1.40	31	33
Springfield F. & M.	1.90	47	48 1/2
Standard Accident	1.45	34 1/2	36 1/2
Travelers	18.00	648	658
U. S. F. & G.	2.00	51	53

*Includes extras.

California Agents Gather 1,200 Strong

(CONTINUED FROM PAGE 1)

ness leadership determines the nature and quality of an organization.

Dr. Faville devoted his talk to a practical outline of selling problems, urging that at all times the salesman understand the prospect's problem and improve his sales technique—analyze prospect's needs before approaching the prospect. He should certainly have proper pronunciation of a man's name and take the time to learn something of his business and family situation, hobbies, whether home owner, and should in fact scout his prospect's situation very much like a football scout checks next week's opponent. He pointed out many of the mistakes made by salesmen and said that they should not under estimate the prospect's interest in securing reliable service.

Analyze the Buyer

Buyers are in two main classes he said—one, the scientific type and the other the emotional type. He believes a salesman should first of all know and understand his prospects and like people and then have a working knowledge of his business and finally apply the working knowledge intelligently and diligently.

He counseled building more business with a prospect by rendering top service on business now with him. Work principally with the class of prospect with which the agent is familiar so that a sales presentation may be made on a favorable basis. Building for the future by seeking prospects that are permanent in the community. Eliminate lost motion, make records of calls. Plan work, and do routine matters in the most effective way. Study objections, all of which seem to follow the same pattern. List all appeals before calling by being specific and not using shotgun methods. Make knowledge of prospects a hobby. Don't be afraid to close, since closing can often begin at the start of a sale. Do not overlook the factor of implied consent. At all times assume prospect is going to buy. Make a turndown a basis of a future sale and not show disappointment by leaving a prospect with an unfavorable opinion.

James D. Simpson, San Francisco manager of Eagle-Royal-Globe, closed the first day's session with a practical talk on "Is Your Agency Casualty Conscious?" He used comprehensive liability policies as his theme and said that a good volume of business comes from small towns and county seats and an agent does not have to reside in a large town to sell casualty lines. He insisted that there is little sales resistance to many casualty lines and any agent who is cost conscious can often sell four or five policies where one now exists, thereby bringing down his acquisition expense.

Composite Ratings

The importance of naming proper assured should not be overlooked. He urged the agents to keep abreast of any new changes such as composite ratings vs. single ratings whereby payroll records and sales records can now be grouped under one rate known as the composite rate.

In line with the educational trend of the meeting a most interesting panel discussion was held by several men from the Oakland Insurance Forum with Ralph W. Knapp as leader. The skit entitled "Mr. Knapp Finds Agents Napping" was built around a situation where an insured sustained a loss and had no knowledge of the coinsurance clause, concurrent insurance and other policy language. While the skit was humorous it had very practical points in that it showed the agents clearly that many assured only acquire knowledge of their coverage after the loss occurs.

A luncheon was held Monday with San Francisco Blue Goose as host. President James E. Crafts, Fireman's Fund, introduced the directors of the

California association and the many company people seated at head table. Sig Arndt, most loyal gander, presided.

Over 50 company headquarters were established at the Fairmont and Mark Hopkins hotels, including prominent general agencies who are playing hosts.

A. E. Shepperd of San Jose, will be president for next year and H. E. Barnhart, Visalia, vice-president.

S. L. Carpenter, Jr., Heard

S. L. Carpenter, Jr., former manager of the Pacific Board, opened the second convention day with a discussion of public relations which he said in effect is the plural of private relations. He stressed the necessity of selling proper coverages, talked about public law 15 and reminded his audience that federal regulations could eventually be the forerunner of government insurance. He said that the insurance indus-



A. E. SHEPPERD

try has really done a good job in the overall picture and the public believes this sincerely. The insurance business is the economic background of industry and enjoys public confidence. He reviewed the financial structure of the business and enlarged upon the many services including claim payments to the public. He said that over one half million employees and producers are engaged in the industry and advocated competition and free enterprise. He discussed the multiplicity of state laws—regulations—non-resident laws and counter-signature laws. He urged the cooperation and enthusiastic support of the many organizations in the industry having to do with public relations work.

A highlight of the session was a discussion of fire and business interruption insurance by R. B. Masters, assistant coast manager of Security, who did a most efficient job of interpreting U. & O. Mr. Masters is chairman of the educational committee of F.U.A.P. On the subject of U. & O. he pointed out that time is the basic element and that the agent is the architect of the client's entire program. Mr. Masters emphasized the fact that fire insurance business can face the future with confidence in its agency management and pride in its agency representation.

Other U. & O. Speakers

James Martin of Percy H. Goodwin Co., San Diego, and K. W. Withers, General Adjustment Bureau, also discussed U. & O. Mr. Martin charged that the agents are not soliciting this coverage and asked that the agents consider the fact that the success of the agency system rests with the competence of the agent. He believes that more demand for this coverage is evident and said that RFC, banks, and other lending agencies have awakened to its value of this coverage and that it is more necessary due to the tightening of the money market. It is one of the factors in good credit rating and it is unbelievable that 75% of small mer-

cantile firms are uninsured. Even though many agents are unfamiliar with U. & O. something must be done because in one out of three fire losses the U. & O. loss exceeds the fire loss.

Mr. Withers spoke on the subject from the adjusting point of view and pointed out that the losses are more varied.

On the afternoon program Don Thompson, chairman American Individual Enterprise Foundation, pointed out all of the hazards that may affect the future of the business should the insurance industry as a whole fail to measure up to meeting the needs of the public.

A. L. Blackburn, Hartford A. & I., discussed modern bond protection under the topic of "Here's How."

All of the registrants were invited to submit proposals on how they effectively sell insurance with Harold L. Callis, Santa Barbara, as moderator. There were many illustrations of how sales are made and the winner in this contest was Mort Russell of Redlands.

Auto Classification

Rating Plan Out in Mass.

Commissioner Harrington of Massachusetts has turned down a proposal by the companies to rate private passenger cars in 1949 on age of driver and kind of use. During the hearings on the plan he said he feared statistics supporting the proposal were inadequate.

Companies may use the classification plan for property damage in 1949.

At the same time Harrington issued a final schedule of rates for compulsory liability cover. This provides an average reduction of 2.2% from the 1948 rates in all zones. The schedule gives 10 communities an increase and 21 others reductions, based on accident records.

The proposed classification plan would have provided a 7.4% reduction on cars not used for business and without drivers under age 25, representing about two-thirds of the cars in the state. The remainder, divided about equally between young drivers and business use, would have paid 23.5 more than zone rates, while cars used by business firms would have paid about 5% more than the zone rate.

Inter-State Wichita Rally

Inter-State Assurance held a sales meeting at Wichita. Robert A. Brown, president; Jack Jervis, agency vice-president, and M. L. McIntire, treasurer, were in attendance. Claude W. Jackson, Wichita general agent, was host.

Gavel Changes Hands in Mutual Company Group



H. L. Kennicott, secretary of Lumbermen's Mutual Casualty, here receives the gavel signifying his election to the presidency of National Assn. of Mutual Insurance Companies at the convention at St. Paul. Making the presentation (left) is Leo A. Mingenbach, executive vice-president of Hardware Dealers Mutual Fire and retiring president of the association.

Stock Market Rise Aids Portfolios

(CONTINUED FROM PAGE 1)

comes from. However, some of the money tied up last year in unearned premium reserves is coming out and as it does so the business finds itself at a higher level without the steep incline of huge premium increase ahead of it. The incline is much less forbidding.

Better Atmosphere

Executives should approach the end of 1948 in a much more favorable frame of mind. The "cleaning up" of agencies has been completed by most companies. Executives are thinking positively about business again. No matter how much this job needed to be done, executives did not feel particularly good about cutting off agents that represented their companies for many years, or setting up restrictions and standards which had a tendency to introduce friction into the relationship of executives and agents. It was a job companies were convinced had to be done, but not one that was pleasant to do.

A large share of the legislation that public law 15 made necessary is now behind, and that was a time in which there was heavy responsibility upon executives to make the right decisions.

One explanation for the recent activity in insurance company stocks, particularly in the fire field, is that people are looking for "defensive" holdings in view of some of the uncertainties at home where some businesses are catching up with the demand, and abroad, where conditions currently don't look too stable.

In the fire insurance business earnings now are rising, with a good 1948 apparently assured, after having been negligible or minus for several years. Those who have become interested in the fire insurance field recognize that because of the long drought in earnings these stocks are priced at something of a bargain and that increased dividend payments are likely ahead. There have been some improvements in this direction already. Home increased its semi-annual dividend from 60c to 65c. New Amsterdam Casualty paid a semi-annual of 60c instead of 50c and St. Paul F. & M. is paying 25c extra.

It is interesting to note that Continental and Fidelity-Phenix, paying their regular semi-annual dividend, in January and July, changed their incidence of payment to quarterly and made such a distribution for the third quarter. The notice to stockholders stated that this does not mean a change in the dividend schedule for the company. The \$2.60 a share on the \$30 per share of new stock of Fireman's Fund represents an 8% return, very attractive to investors, even though the stockholders had to put up additional money to get it.

As one observer pointed out, when profits return to the business, a number of the problems that have been harassing the companies, such as capacity and commissions, will be solved.

The conspicuous success of the new financing by Fireman's Fund and Boston is believed to have heightened the interest in insurance stocks. Early this week many insurance stocks were selling at their highs for the year.

Ohio Superintendent Tells Stand on Dealer Licensing

(CONTINUED FROM PAGE 11)

such a national administration.

"During my tenure as governor I shall do all in my power to keep insurance strong and free and to keep such governmental regulation as may be necessary as a state rather than a federal responsibility."

Western Adjustment has appointed Dave H. Mizer resident adjuster at Pittsburg, Kan., and added Cherokee county to the territory served by the office.

Whipple & Chicago

Bid	Asked
42	51
49	61
54	55 1/2
23	24 1/2
43	Bid
9 1/2	10 1/2
18	19
65 1/2	67
61	62
20	21 1/2
57 1/2	58 1/2
60	63
78	80
15	16
47	48 1/2
10	11
33	34 1/2
38	39
120	122
50	51
109	111
15 1/2	16 1/2
28 1/2	30
29	31
27 1/2	28 1/2
49	51
30	32
44	45 1/2
25	26
44	Bid
90	92
4	5
34 1/2	36
80	82
31	33
47	48 1/2
34 1/2	35 1/2
648	654
51	53

HOLD RALLY ON REGULATION 30

(CONTINUED FROM PAGE 1)

conforming the annual statement blank to the uniform accounting blank and to hold off further changes until the meeting in April. He also said that the department could not revise its regulations to conform with the accounting procedures of any one company although he was not referring to Mr. VanderFeen's firm. The change was not adopted.

Good progress was made at the morning session and of the nine forms considered the major elements of discussion on the first five were completed. One comment heard was "There is no blank you can give an accountant that he can't fill out."

Parentheses and Asterisks

Some excitement disturbed the meeting at this point when it had resolved itself into a discussion of where various sets of parentheses, asterisks, and plus or minus signs, should or should not be placed. Mr. Moore announced that he would submit a memorandum on behalf of the agents' association asking for a more precise breakdown of commission and brokerage expenses.

Mr. Morrill commented that it was a wonderful thing to have the agents represented by competent actuarial talent at an accountants' meeting and said he agreed with Mr. Moore in principle. He said that it would be fine if figures could show the money paid to agents as a percentage of premium and not include supervisory or payroll audit costs. He didn't think, however, that the plan could work out in practice. The New York proposal will advance the agents miles from their present position in determining commission income exactly, but, for the present, the department had to stop short a few inches of the ideal solution. The trouble spot at the present is that the acquisition figures include supervisory, payroll audit, and inspection expenses. The New York department feels that by its uniform accounting proposal it will make considerable progress in determining pure commission expenditures.

Surety Company Problems

Another reason advanced for the impossibility of making changes now is that the companies, particularly the surety companies which by federal regulation must have their annual statements prepared by Jan. 15, would not have time to prepare a complete functional split by that date.

Toward the end of the discussion Mr. VanderFeen criticized one of the pages which had some 39 lines to fill out and suggested that it be double spaced and placed on two separate pages if necessary so that two groups of clerks could work on the forms at the same time.

Just before the luncheon recess Mr. Tarbell submitted a form on behalf of Assn. of Casualty & Surety Accountants & Statisticians which he said would be easier to handle than one of the forms suggested by the New York department. He later withdrew the suggested form.

Agents Well Represented

In putting in the agents' brief Mr. Moore said he wanted to make it clear that as to results disclosed in the annual statement and the expense exhibit for fire and casualty, any reference to acquisition expense should also disclose the actual commissions paid agents on direct business.

In this way only can the agents be protected when the results are offered for publication. At the moment, he said, the agents feel that the disbursement page of the annual statement as proposed by the New York department in regard to commissions on direct business calling for separation of claims expense, leaves the remainder, which may consist of allowances for inspection, payroll audit and for production management or other services, in the

category of direct commission. This the agents especially want to guard against.

It would be more satisfactory, he added, if the disbursement page would disclose: (1) commissions paid agents and brokers on a direct basis, and (2) other allowances paid that are based on a percentage of the premium. This would assure that the pure commissions will be indicated in the publication of these results.

Show Allowances Separately

The same criticism was made in connection with commissions incurred by lines on direct business in the acquisition cost proportion of the proposed expense exhibit where allowances for services rendered, based on percentage of premium attributable to acquisition, field supervision and collection costs are presumably included with the actual commissions. These allowances should be separately shown, Mr. Moore urged.

From the viewpoint of the carriers, calling for data in this fashion is somewhat more burdensome, but with the careful scrutiny now being directed to all forms of expense, it is essential that the commissions of producers be truly reflected as an individual item so that agents can justify their position, Mr. Moore asserted.

Supervisory Expenses

When the agent is paid 5% extra for developing a territory and supervising other agents, under current statement and exhibit requirements the total amount paid the agent would go in as commissions when this 5% actually should be shown as a company charge. Mr. Moore admitted, on questioning by Mr. Morrill, that regulation 30 does eliminate the showing for reinsurance and in this respect is better than it has been. Mr. Morrill made the point that the problem to which Mr. Moore referred was not one created by regulation 30, and he questioned the committee's authority to go beyond its instructions to accommodate the annual statement and the expense exhibit to regulation 30.

Mr. Moore pointed out that the annual statement is being revised and that the present proposal eliminates claim expense; why can't the other items be broken out, such as field expense, and shown separately?

Mr. VanderFeen said that it would not be too difficult to show claim, inspection, and auditing services expense for which the agent is paid an extra commission, but that if the requirements went beyond that he thought there would be a great lack of uniformity in the reporting of such figures by companies.

Regulation 30 Changes

Mr. VanderFeen, Mr. Tarbell, and others questioned the necessity of making any more changes in the casualty expense exhibit than are essential to implement regulation 30. Mr. VanderFeen questioned the wisdom or necessity of changing the entire format of that exhibit because the companies have staffs of clerks familiar with the old exhibit as a working sheet. Why not start with the exhibit as it is presently laid out and then make only such changes as are absolutely needed?

He pointed out that Wisconsin has come out with a requirement for an expense exhibit identical with the present one except that the showing has to be on a direct basis. He regards that as highly impractical.

Primary and Secondary Lines

The companies want the exhibit drawn in such form as to meet all of the other requirements and provide in addition information that the National Bureau uses, for example a separate showing for each casualty line, Mr. Tarbell commented. Every line, the

companies feel, should be considered as a primary line and the exhibit should include information that is of interest and value to the bureau and companies generally. One example would be the underwriting result for each line. He could see no advantage in a breakdown of the lines into primary and secondary classifications. This is done in connection with automobile property damage, which is shown with automobile B.I. in the projected expense exhibit.

There is a big difference in expense on group and regular accident and health, Mr. VanderFeen said, calling attention to the proposed column headed simply A. & H. He added that as to auto physical damage and P. D. he ran a test on 30,000 automobile policies in his own company and found 23,000 of them included property damage and 26,000 physical damage. Yet regulation 30 shows P. D. as a secondary and physical damage as a primary line.

Mr. Tarbell pointed out that a large percentage of the automobile property damage is written in a joint contract. In his own company, 75% of the automobile business is written on a single form but involves two companies; 60% of policies involve both liability and physical damage.

Casualty Expense Exhibit

The casualty expense exhibit turns up figures that are valuable to the bureau in rate review activities, and he wondered if this should not be kept in mind by the committee in laying out a new exhibit form.

Messrs. Bittel, Berger and Morrill reacted favorably to the idea that the exhibit should not be changed except as is needed to accommodate the regulation 30 changes.

If the casualty expense exhibit is expanded to include fire and marine lines, as in the projection of the New York department, this would in effect require the fire companies to file an expense exhibit on their business in various states, though only New York now requires that they do this, Mr. VanderFeen said.

The projected exhibit form eliminates property damage other than automobile, Mr. VanderFeen commented, yet he estimated that there is some \$50 million a year in premiums on this line. He questioned the elimination of so important a line from the exhibit.

N.A.I.A. Objections

Mr. Skilling and Mr. Walton of Allstate objected to the proposed breakdown of allocated and unallocated claim expense. They said that they disagreed with the National Bureau's definition of these allocations. Mr. Morrill wondered if it would be satisfactory to make it optional, but they objected to any showing on a breakdown of this kind.

Mr. Walton said that he would like to see no changes made in the exhibit except as necessary to accommodate regulation 30.

Multiple Line Statement

The uniform accounting committee of the Texas Assn. of Fire & Casualty Companies unanimously approved adoption of regulation 30 nationwide if there were adopted at the same time the multiple line blank so that these two steps could be taken at one time, and Mr. Morrill said that suggestion is before the blanks committee.

Mr. VanderFeen said he would like to see the combined annual statement worked out at the same time, and Mr. Walton said that he would like to urge consideration be given as soon as possible to the multiple line statement.

Company representatives did not appear at the final two days of the meeting leaving the department personnel to their task of accomplishing the actual spade work, or rather, pencil and paper work, of drafting the completed forms.

Gifford to Sigourney Agency

W. W. Gifford, special agent in Kansas for Kansas City F. & M., is resigning Nov. 1 to join the Kramer agency at Sigourney, Ia.

Ill. Mutual Companies Reelect All Officers

Illinois Assn. of Mutual Insurance Companies reelected all officers at the annual meeting last week at Springfield. President is Russell W. Brooks, secretary of Stronghurst Mutual County Fire; vice-president, Myron L. Cass, secretary Berlin Township Mutual Fire; secretary, D. A. Tripp, secretary Mutual Reinsurance Bureau, and treasurer, James T. Wise, secretary Pesotum Township Mutual Fire.

Five new directors were chosen and the wives of the delegates formed a ladies auxiliary with Mrs. Brooks as president. There were 68 companies represented.

John C. Stapel, president of Farmers Mutual Hail of Columbus, Mo., warned against writing less windstorm than fire cover on a building. In Missouri some companies insist on more windstorm than fire because fire is preventable. Mr. Stapel said that if a dilapidated or unanchored building is insured and it falls down, "even without benefit of a breeze, the wind did it and the windstorm company is stuck."

Visiting dignitaries included Harry P. Cooper, secretary of National Assn. of Mutual Insurance Companies, and H. L. Kennicott, secretary of Lumbermen's Mutual Casualty, the new president of the National association, and a former Illinois president.

Jackson Packaging Award Presented at Chicago

The Harold Jackson award for the most outstanding new method contributing to the betterment of overseas packaging was presented this year to Carl A. Johnson of the Schlumberger Well Surveying Corp. of Houston by Capt. Paul H. Paulsen, senior engineer of W. H. McGee & Co. at the industrial packaging and material handling expedition banquet at Chicago.

The award went to the best pilfer-proof entry in the export packaging contest. The package selected was a three-quarter inch pine wooden box, double nailed and strapped with flat metal and sealed.

This contest has aroused great interest among marine men and shippers as it is becoming evident that American exporters are aware that poor packaging is uneconomical. American trade will suffer unless goods can be sent to the customer in usable condition and it was pointed out that there is no advantage in relying on insurance to pay for loss resulting from improper packaging.

Mahon and Owens Share Presidential Positions

(CONTINUED FROM PAGE 19)

for Home Indemnity from 1930 to 1932. In 1932 he joined U. S. Casualty as southern manager, with offices at Charlotte, N. C., and was called to the home office in 1934 as assistant to the president. He was made vice-president in 1935 and executive vice-president in 1940.

Interstate Rating Conferees

Roy N. Jenkins of Alexander & Alexander, and T. W. Bailey of Marsh & McLennan, have been appointed to a joint committee of National Assn. of Insurance Brokers and National Assn. of Insurance Agents to deal with the interstate rating situation. The brokers association was invited to collaborate with the agents in a resolution adopted at the N.A.I.A. Chicago meeting. The brokers association accepted with reservations because it has had a committee working in this field for some time and has decided upon its own plan of procedure. It was emphasized that collaboration with N.A.I.A. could not be allowed to delay the brokers' plans.

Harry C. Thoma, formerly with Badger Service Agency, has become manager of M. T. Melby agency, Madison, Wis. as manager of the agency.

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Portrait by Peale when Harrison was twenty-seven

WHEN his prospective father-in-law asked how he proposed to maintain a wife, young William Henry Harrison replied, placing his hand on his sword, "This is my means of support." As his military prowess proved, the statement was no empty boast. Moreover, in time Anna Symmes Harrison, the girl he married, had the distinction of being the wife of the ninth President and the grandmother of Benjamin Harrison, the twenty-third.

In 1800, five years after his marriage, Harrison was appointed first governor of the vast new Indiana Territory which eventually was carved into several states. In the seat of government, the old French town of Vincennes, he acquired a 300-acre estate called Grouseland. His home, architecturally inspired by Berkeley, the famous Virginia mansion in which he was born, was completed in 1804. Known as the White House of the West, it became the social and political center of the territory.



Winding stairway suggests a similar one at Mt. Vernon

Famous American Homes

GROUSELAND

Frontier Home of the Ninth President



As the Indians in the area outnumbered the whites five to one and as the territory was hemmed in on three sides by foreign powers, Harrison's problems were formidable. Reflecting the hazardous times, Grouseland, like a feudal castle, was at once a home and fortress, with walls two feet thick and windows protected inside and out by heavy shutters. One of these bears the mark of a bullet which an Indian fired at Harrison as he was pacing the room with his baby in his arms. From a lookout platform on the roof the approach of unfriendly visitors could be seen, and within the house concealed passages provided speedy exit in case of surprise attack.

In a grove near the house Harrison held a conference with the Shawnee chieftain Tecumseh and his warriors who defiantly refused to come to terms with the American government. In 1811, a year later, Harrison defeated Tecumseh's men at the famous battle of Tippecanoe

which established his military reputation and provided the slogan "Tippecanoe and Tyler too" for the campaign in which he was elected President. When the War of 1812 began, Harrison left Grouseland to take command of the Army.

After remaining in the ownership of the family until 1843, the house passed through a period of decline until, ransacked by relic hunters, it was used as a stable. Finally, through the efforts of the Francis Vigo Chapter of the Daughters of the American Revolution it was saved from demolition and now in the chapter's custody is being preserved as an historic landmark restored to its former grandeur.

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